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July-August 1984

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The Soviet Political Scene After Two Successions

Perspective: Leadership Prospects Under Chernenko

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The accession of Konstantin Chernenko to the top party and state posts following the death of Yuriy Andropov last February gave strong impetus to the trend toward greater collectivity in Soviet decisionmaking that has been evident since Brezhnev's last years. Chernenko's age, ill health, and lack of a strong power base make him the weakest leader ever to have occupied the office of General Secretary. As he has concentrated on ideological issues, power has devolved somewhat to his senior subordinates in the Secretariat—notably to his second in command and heir apparent, Mikhail Gorbachev—as well as to the two already powerful members of Andropov's national security coalition, Foreign Minister (and First Deputy Premier) Andrey Gromyko and Defense Minister Dmitriy Ustinov. This power-sharing arrangement, in which no individual leader is able to dominate the decisionmaking process, has resulted in a strong tendency to continue the domestic and foreign policies associated with Andropov.

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Increased collectivity in leadership and basic continuity in policy tend to diminish the advantages that attach to the office of General Secretary. Although he quickly acquired the trappings of power, Chernenko has made little headway in consolidating his power and in placing his stamp on Soviet policies (see "Chernenko's Political Progress"). Increasingly, his age, lack of charisma, and weak leadership have led to a perception among both Soviet and foreign observers that he is little more than a caretaker. Although as General Secretary he remains a figure to be reckoned with, he will soon have to display some initiative—by advancing his power at the expense of his colleagues or by clearly staking out his own positions in policy—if he is to avoid the lameduck image of an interim leader.

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The one policy area where Chernenko has put forward some feelers—relations with the United States and arms control—seems to be predominantly under the influence of Gromyko and Ustinov. This may, in part, account for the seeming contradictions in Soviet policy toward the United States. Thus, while Chernenko's accession made it possible for him in early

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March to suggest that progress on a number of stalemated issues could lead to a "breakthrough" in Soviet-US relations, a subsequent hardening of Moscow's attitude—and in particular its handling of the 29 June proposal for talks on space weapons—suggests that Gromyko's "hang tough" approach gained sway. The more experienced Gromyko may have gained Politburo acceptance of tactics that promised a short-term payoff in heightened Western anxiety and a long-range advantage in dealing with a possibly more intransigent US administration after the November elections (see "US-Soviet Relations: The Soviet View"). 25X1

In the domestic political arena, Chernenko may be pinning his hopes on surviving long enough to solidify his claim to leadership at the 27th Party Congress, expected to be held in early 1986. Of the four main items to be considered at the congress—the General Secretary's "State of the Union" address, the adoption of a new party program, approval of the next five-year plan, and the "election" of a new Central Committee—Chernenko is likely to have the greatest room for maneuver on the first two. As chairman of the commission to draft the new party program—the first in 25 years—he is in a position to make his personal contribution to Soviet policy through it. Economic policy, on which Chernenko has not yet put forward a clear-cut strategy, is one area where he could use the new program to elaborate on the modest reform efforts begun by Andropov; however, he is more likely to try to make his mark through organizational restructuring of management (see "Soviet Economic Reform: Status and Prospects"). 25X1

By contrast, Chernenko is limited in his ability to make significant changes in the economic priorities of the 1986-90 plan, particularly those pertaining to the military. He does not appear to have the clout to alter the plan's basic directions—assuming he wanted to try—largely because of the built-in momentum established by presumed prior agreement on the military's basic needs for the five-year defense plan (see "Preparation of the 1986-90 Defense Plan"). To make such an attempt probably would provoke a political conflict within the leadership. Also, Chernenko may be compelled as General Secretary to maintain a certain balance on the issue of allocations. In any case, preparation of the five-year plan appears to be proceeding with little evidence of contention within the Politburo over basic priorities, although there are indications that advocates of increased defense spending continue to put their case to the leadership. 25X1

Similarly, time and circumstance give Chernenko little opportunity to enhance his power position through appointments at the Central Committee level. Although some cadre changes have occurred since Andropov's death, the process of replacing regional party officials at local party conferences was essentially completed by the time Chernenko took over. In fact, he is unlikely to threaten the tenure of these officials, because he has

appealed for their political support (see "Cadre Changes Since Brezhnev's Death"). Furthermore, although he might view ministerial restructuring as a means to accomplish an improvement in economic management, he is unlikely to see this as a quick and easy way to broaden his base in the Central Committee. Chernenko's greatest sphere of influence in high-level appointments is among ideological officials—for example, he recently was able to replace Andropov's appointee as *Izvestiya* editor in chief—but these officials constitute a relatively small proportion of the Central Committee.

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In sum, Chernenko has not yet demonstrated that he is master of the ship, and he appears to have only limited opportunities to do so.

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there is a strong possibility that the regime will undergo yet another succession within less than two years. In fact, the illness or death of any of the senior members of the leadership—Gromyko, Ustinov, Tikhonov—could precipitate a succession crisis even sooner.

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In short, by appointing Chernenko to head the party and state, the Politburo elders appear to have deferred solution of the generational issue. Gorbachev, the most logical candidate to represent the younger generation of party leaders in the next succession, hinted at this in a speech at the Central Committee plenum that named Chernenko General Secretary, in which he appealed for party unity. Should Gorbachev succeed Chernenko any time soon, he would initially face the same constraints of the present power-sharing arrangements that Chernenko does. Time is on Gorbachev's side, however, and he would be far more likely than Chernenko to emerge as a strong leader capable of bringing about major shifts in Soviet policy.

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Chernenko's Political Progress

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When Yuriy Andropov died in February 1984, Konstantin Chernenko quickly acquired all the trappings of leadership, but he has subsequently made little headway in consolidating his power. His age and infirmity and the prominence of his Politburo colleagues Dmitriy Ustinov, Andrey Gromyko, and Mikhail Gorbachev undermine his political strength. He has had little apparent success in strengthening his base of support in the party, and the continuation of Andropov's anticorruption campaign threatens the officials who traditionally have been the General Secretary's key allies and supporters. Chernenko may yet be able to profit from divisions among his rivals and use the powers of his office to improve his political standing. Time is his enemy, however, and he will have to increase his political momentum soon if he is to halt a growing tendency at home and abroad to regard him as a figurehead.

Early Success

Almost at once, Chernenko accumulated honors and titles that had been slow in coming to Brezhnev and Andropov. Within weeks of his election as party leader, for example, Soviet media were occasionally referring to him as head of the Politburo. In late February, the chief of the Soviet General Staff referred to him as "Chairman of the Defense Council" at a reception with foreigners present, and in April Chernenko became Chairman of the Presidium of the Supreme Soviet, or President.

Chernenko wasted no time in publicly reaffirming the dominant role of the General Secretary and the party apparatus that he leads. In his inaugural speech as General Secretary, he emphasized the importance of the role of oblast and kray party secretaries. He said the secretaries should break free of "duplicating" the work of those who run the economy and should act as their political overseers instead. On 25 February, *Pravda* reported that at the first regular Politburo meeting held since Andropov's death, Chernenko "defined the most important directions of Soviet economic development"—a clear suggestion that he was setting the leadership's agenda. In March, he addressed a national conference on the Food Program attended initially by the entire leadership. On the second day, only the Central Committee secretaries attended, signifying that the program's execution was to be supervised by his subordinates.

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By the time of his election as President on 11 April, Chernenko also had announced plans to revitalize the Supreme Soviet's role in examining the work of ministerial organizations. Soviet media have given increased attention this spring and summer to instances in which Supreme Soviet deputies at the republic level have addressed questions or complaints on matters of local interest directly to government ministers. Party secretary Mikhail Gorbachev, who probably expects to inherit Chernenko's offices eventually and who is now Chairman of the Supreme Soviet's Standing Commission on Foreign Affairs, has been Chernenko's willing assistant in building up this aspect of the power of the Presidency.

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Until his departure for vacation in mid-July, Chernenko also maintained a much more active schedule of public meetings and activities than did Andropov or, in his later years, Brezhnev. His apparent purpose was to reinforce the image of a leader taking charge of all aspects of the USSR's national and international concerns.

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Problems

Despite his strong early showing, the General Secretary faces several major problems. For one thing, he is old and sick.

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Chernenko's frailty has given rise to a widespread assumption that he is an

interim figure. This could undermine his authority by inclining officials in the Soviet regime to look beyond him for solutions to long-term problems.

In addition, Chernenko has had to share the limelight with powerful senior colleagues. The most prominent are Foreign Minister Gromyko and Defense Minister Ustinov. This has created the impression that on matters of national security these two men represent the Politburo, with Chernenko as their spokesman.

Even Tikhonov, the Chairman of the Council of Ministers, has enjoyed an independent status during Chernenko's tenure that may undercut the General Secretary's authority. When Andropov was in charge, there were logical reasons for believing Tikhonov and Chernenko to be allies: both represented the Brezhnev old guard and both probably felt their institutional constituencies threatened by Andropov's programs. Now, with Andropov dead, this alliance is apparently not as strong. Chernenko's announced intention to use the Supreme Soviet to review and oversee ministerial operations carries a hint of rivalry with Tikhonov.

The prominence of the three oldest full Politburo members—Tikhonov (79), Ustinov (75), and Gromyko (75)—poses an additional problem for Chernenko by making him appear to represent an entrenched gerontocracy. Many members of the Soviet elite regarded Chernenko's succession as evidence of an unwillingness by the Politburo "old guard" to make way for younger leaders.

The increasing prominence of Gorbachev within the leadership may mitigate such charges. It may, however, weaken the older leaders' authority because lower ranking officials will place their long-term hopes for career advancement on the 53-year-old Gorbachev. While it is by no means certain that Gorbachev would succeed Chernenko if the latter died today—the preponderance of power still lies with the elders—Gorbachev seems to be moving more and more into the limelight. he is widely regarded by Soviet officials as Chernenko's heir apparent.

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There are hints in party publications that the generation gap within the leadership has already become a political issue. An April *Kommunist* article, in the guise of a historical commentary on Lenin's last writings, appeared to be warning against elements in the party who would use a rejuvenation program to purge party veterans. In contrast, a May editorial in *Sovetskaya Rossiya* suggested that older leaders ought to step down now and let younger ones develop by being fully responsible for running things. Some Soviets expect Gorbachev to take over in a year or so, before Chernenko dies, perhaps at the next party congress (expected to take place in early 1986).

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Personnel Appointments

To assert his leadership in the face of these disadvantages, Chernenko needs to strengthen his base of support. Yet party personnel appointments since he became General Secretary do not appear to bear his stamp. Since he took over, Chernenko has removed one protege of Andropov's—the editor of *Izvestiya*—but appointments in the oblast party organizations, where his political influence should be great, show no trace of his influence.

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Chernenko may be constrained by a leadership commitment to a personnel staffing program that excludes "favoritism" in principle—it was denounced in a party editorial in July—and by the role of Gorbachev, who oversees the party's staffing function in practice.

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Chernenko is also not helped politically by the leadership's apparent agreement to continue Andropov's program of removing corrupt or incompetent executives and demanding that they be held personally

responsible for performance in their areas. When Andropov was in power, entrenched Brezhnev-era party and ministry personnel probably looked to Chernenko to resist this program and safeguard their interests. Now, however, Chernenko is probably seen as unable or unwilling to provide relief.

Although Chernenko is rumored to be attempting to soften the harsher aspects of Andropov's programs, publicized actions have taken place that will do little to reassure those who felt threatened under Andropov. In March, for example, a deputy minister was expelled from the party and indicted for corruption, and in April a minister who had been criticized last year for unprincipled conduct was replaced. In the same month, a death sentence was announced for a corrupt restaurant official in Krasnodar, culminating an investigation that began when Andropov was General Secretary and his protege Vorotnikov—now a full Politburo member—was the local party chief. In June strong campaigns against corruption, bribery, and cronyism began in the Uzbek and Latvian Republics, and in July the press announced the execution of a former Moscow food store manager who had amassed a fortune through illegal dealings with the party elite. Chernenko was earlier rumored to have commuted the store manager's sentence to imprisonment.

The discipline and anticorruption programs, in short, have not been altered to help Chernenko's interests or build support for him in regional party bailiwicks. Moreover, younger Politburo members such as Grigoriy Romanov, who oversees the law enforcement agencies, and Gorbachev, who oversees personnel appointments, may benefit from these campaigns to the extent that new appointees see that their own political fortunes will be in the hands of these leaders in the future.

Chernenko's Prospects

As long as Chernenko holds the office of General Secretary, he will remain a force to be reckoned with politically. Where consensus is absent on new issues, his influence in the Politburo can be decisive. Where he is seen to defer to his colleagues in their area of expertise, he may be able to avoid responsibility for policy failures and perhaps even use them against his adversaries. Younger contenders for the top party post such as Romanov or Gorbachev may even be willing to conspire with Chernenko to undermine the position of their rivals.

Despite the assets of his office, however, Chernenko has yet to advance his power at the expense of his Politburo colleagues. He is currently not strong enough to force other leaders out of office and can hardly count on surviving them. (Ustinov, Gromyko, and Tikhonov are older, but apparently healthier, than Chernenko.) Many of his longtime allies in the party apparatus are approaching the end of their careers. Time, therefore, is his enemy, and he will have to increase his momentum soon if he is to avoid being seen as an interim leader presiding over a collective body of assertive individuals.

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Soviet Economic Reform: Status and Prospects

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The Chernenko regime seems unlikely to undertake major reforms that would represent a break with the conservative economic model of the Brezhnev years. Andropov's modest efforts to improve the system of incentives and performance indicators probably will be continued because they offer some hope of economic benefit with minimum disruptions to present lines of authority. Organizational changes that shift some economic decision making from the ministries to the regions are possible, given Chernenko's past position on this issue and an apparent consensus on the need for changes in the ministerial system. Success in this area will depend greatly on the support of Premier Tikhonov and other members of the ministerial old guard who fear that organizational change will seriously weaken their political influence.

The Andropov Record

The baseline for evaluating the status of economic reform under Chernenko is the record established by the Andropov regime. During his brief tenure, Andropov spoke frequently of the need for a "fundamental restructuring" of the Soviet economy's system of organization and management. He called for improvements in three specific areas—economic organization, planning, and the system of incentives and performance indicators. New initiatives that can be attributed to Andropov, however, were targeted largely at the third area (see inset). They shared common themes: a strong commitment to central planning and control over the key economic decisions such as pricing and new investment, a continuing effort to find the right combination of enterprise performance indicators, and a hard line on personal accountability—wages and bonuses were to be tied more closely to results. Because many of the "new" features were actually retreads of earlier decrees, they were a tacit admission that past reforms had been only partially implemented.

The major difference between Andropov's approach to reform and that of the later Brezhnev years was a willingness to give somewhat more freedom to the production unit in operational decisions in return for assuming increased responsibility for results.[1] These initiatives had the potential for discernible improvements in planning and management but could not correct the basic systemic distortions that prevent Soviet planners and managers from making economically efficient decisions.

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[1] This emphasis reflected Andropov's general drive for increased discipline and responsibility throughout the economy, which was probably his major contribution to improving economic growth, at least in the short run.

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Andropov's Major Reform Initiatives

The Five-Ministry Industrial Experiment (begun 1 January 1984). *Seeks to raise productivity and speed the introduction of new scientific and technical achievements by reducing the number of enterprise success indicators and making fulfillment of sales contracts the main one; expanding the operational decisionmaking ability of the enterprise, particularly in the investment and wage areas; and linking earnings more directly to performance.*

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The Experiment in Consumer Services (begun 1 July 1984). *Seeks to raise the material interest of consumer service enterprises in serving the public by refining the incentive system along the lines of the five-ministry experiment.*

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Increased Use of Small Labor Units. *Seeks to raise productivity by making the wages and bonuses of small labor units in both industry and agriculture more dependent upon "final results." Uses contracts to specify the obligations of both management and labor.*

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Andropov was reluctant to try more radical reforms because of his innate conservatism—indicated by his public statements—but also because formidable obstacles block any regime's efforts at economic reform. These include a stodgy ministerial bureaucracy, a traditional preference for gradual change, conflicting prescriptions for reform, a rigidly conservative ideology, and a fear that economic reform might bring demands for liberalization in the political and social arenas. Additional obstacles could be directly linked to Andropov's own leadership—his weak provincial power base, and, ultimately, his poor health, which was a serious handicap to implementing new policies in any area.

The Chernenko Regime's Approach to Reform

The Chernenko regime must contend with the same endemic obstacles to reform faced by Andropov plus a few more. First, Chernenko has had even less experience than Andropov and little apparent interest in economic matters. During most of the Brezhnev years he was occupied with the administrative details of running the Central Committee's General Department, and later he acquired the ideology portfolio. Second, the increased influence of other senior leaders in the Chernenko regime poses a problem. Premier Tikhonov and other members of the old guard would hardly sanction a major restructuring that might diminish their power. These factors, combined with Chernenko's position as the guardian of ideological orthodoxy, are sufficient to rule out more radical reforms of the Hungarian type, which frees the enterprise from centrally administered targets and allows it to pursue profits based on market-determined prices and costs.

Chernenko has not yet put forward a clear-cut economic strategy nor has he taken any new initiatives in the area of economic reform. He and other senior leaders, however, apparently support Andropov's effort to seek modest improvements in the system of incentives and performance indicators. In his maiden speech as General Secretary, Chernenko repeated Andropov's call for action in this area. His emphasis on taking risks and not waiting for the results of experiments has made him appear as eager as Andropov to get on with the job. He endorsed the Andropovian themes of expanding enterprise rights, specifically the five-ministry experiment, and of using incentives more effectively. The entire leadership, including Tikhonov, uniformly endorsed these themes in their Supreme Soviet election speeches soon after Andropov's death. Also, senior party secretary Mikhail Gorbachev has been instrumental in organizing support for the collective contract method—a scheme to improve incentives in agriculture. 25X1

New initiatives seem most likely in the area of organizational reform. In the past Chernenko has argued that the economy is overbureaucratized and that ministerial controls are too strong at the regional level. In a solid endorsement of the rayon agro-industrial associations (RAPOs),[2] he said in May 1982 that they were necessary to end the ministerial disarray "which had previously been eroding the economic mechanism." Gorbachev has also supported this effort. 25X1 25X1 25X1

Some moves to reduce the bloated bureaucracy may have been under way at the time of Andropov's death. According to dissident historian Roy Medvedev, Andropov had proposed that the swollen ranks of party and governmental administrators be reduced by 20 percent. 25X1

Structural changes in the ministerial system are also being discussed. In a late February speech to his election district, party secretary Grigoriy Romanov acknowledged that changes in "the structure of ministries and departments" were being studied by the Central Committee. The recent Soviet press has been filled with articles advocating organizational reform. One of the most comprehensive was by Dzherman Gvishiani, a deputy chairman of the State Committee for Science and Technology. He lent his authority to various proposals for improvements in the ministerial system, including the creation of new territorial organs for such sectors as construction and transportation, special organs to manage priority programs, and the possible formation of superministries. A 27 May 25X1

[2] RAPOs were created in 1982 by the Brezhnev Food Program to strengthen management at the local level. The intention was to give them broad authority over all agriculture-related enterprises in the district, regardless of departmental subordination. 25X1

decree on ways to improve the construction industry indicated that in the future more emphasis will be placed on the territorial (as opposed to ministerial) management of construction, although it left unspecified how this would work.

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Premier Tikhonov's support will be crucial to the success of reforms in this area. Chernenko and his allies must convince Tikhonov and his minions that changes in the ministerial system are aimed mainly at improving efficiency and not at reducing their powers. The formation of superministries, for example, would partially shift some of the day-to-day operational decisionmaking to regional authorities.

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Cadre Changes Since Brezhnev's Death

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Since Brezhnev's death, the Soviets have begun the long-delayed process of cadre rejuvenation. About one-quarter of the full members of the Central Committee have been retired or transferred so far, more than at any time in the last 20 years. Although vacancies have been filled primarily by their deputies, Andropov broke with this pattern at times to promote experienced managers and technocrats who had proved themselves in nonparty jobs. As a champion of the Brezhnev old guard, General Secretary Chernenko is more reluctant to replace Brezhnev appointees than Andropov was, and the turnover in the Central Committee has been minimal since Andropov's death. Nonetheless, the campaign to root out venal and incompetent officials at the lower level is continuing

Both Andropov and Chernenko came to power with an obvious interest in using their control of personnel assignments to increase their political power and make the party and state bureaucracies more responsive to their policies. Andropov, however, went to unusual lengths to publicize his commitment to cleaning house, even expelling two Brezhnev cronies from the Central Committee. As this cadre renewal campaign progressed, Chernenko, Andropov's major rival within the Politburo became a rallying point for those officials who felt threatened by Andropov's policies. Since becoming General Secretary, Chernenko has continued to foster his image as a defender of party veterans. For the moment, however, he has not ended the anticorruption campaign nor replaced Andropov proteges who still play a role in personnel appointments.

The Central Party Apparatus

Andropov focused his initial efforts at personnel renewal on the central party apparatus. In April 1983 he brought in Yegor Ligachev, the oblast first secretary in Tomsk, to replace Brezhenv's personnel chief, Ivan Kapitonov, as head of the Central Committee's Organizational Party Work Department, which is responsible for personnel policy. At about the same time, Andropov gave party secretary Mikhail Gorbachev the responsibility for overall supervision of personnel matters, thereby replacing Chernenko, who had exercised this function under Brezhnev. Andropov also presided over the replacement of seven of the 24 Central Committee department heads. The retirees were all in their seventies; the average age of their replacements was 57.

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Andropov's tenure also witnessed the most extensive changes in the Secretariat since the early Brezhnev era. Ligachev, Nikolay Ryzhkov, and Grigoriy Romanov all were appointed party secretaries—thus packing the body with officials beholden to Andropov.

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Ryzhkov's and, to a lesser extent, Romanov's appointment to the Secretariat reflected Andropov's preoccupation with improving Soviet economic performance as well as his efforts to consolidate his power. Ryzhkov, a man with little background in party affairs, had formerly served as director of the huge Ural machine-building complex and then as the first deputy chairman of Gosplan responsible for heavy industry. He was tapped by Andropov to head a new department of the Central Committee with responsibilities for economic planning and reform. Romanov, who had been a full Politburo member for seven years at the time of his promotion to the Secretariat, had the necessary party credentials, but, as party boss in Leningrad, he had also developed a reputation for innovative economic management. Since becoming a Central Committee secretary, he has been responsible for supervising civilian machine building and possibly defense industries and the police and security organs as well.

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Chernenko has made no important changes in the central party apparatus (see table 1). Less than a month after Andropov's death, he met with Central Committee officials in an apparent effort to reassure

Table 1
Key Changes in the Central Committee Under Andropov and Chernenko

	Total Changes	Promotions	Demotions	Transfers	Deaths or Retirements
Central party apparatus					
Under Andropov	12	4	0	3	5
Under Chernenko	0	0	0	0	0
Regional officials					
Under Andropov	35	8	4	10	13
Under Chernenko	8	0	0	6	2
Economic officials					
Under Andropov	22	3	4	5	10
Under Chernenko	2	0	0	0	2

Table includes promotions of six candidate members to full members under Andropov. In cases when officials (like Ligachev, Vorotnikov, and Solomentsev) were promoted twice, the table counts each promotion separately. Central Committee members in the media and national security area have not been included.

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them that he valued their contribution and intended no shakeup.

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Regional Party Leaders

Andropov was especially successful in rejuvenating the top levels of the regional party apparatus. The death of two republic party leaders—Belorussian First Secretary Tikhon Kiselev and Uzbek party boss Sharaf Rashidov—created vacancies that he was able to fill with his own appointees. So did the transfer of Azerbaijani First Secretary Geydar Aliyev and Leningrad First Secretary Romanov to new assignments in Moscow. But most of the changes in the regional party apparatus were at the oblast level and occurred during the party election campaign that was held from August 1983 to January 1984.

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The promotions of Nikolay Slyunkov in Belorussia and Lev Zaykov in Leningrad underscored Andropov's preference for competent economic managers and his willingness to disregard the lack of extensive background in party work. In contrast to both Brezhnev and Chernenko, Andropov had minimal experience in regional party work, and this probably shaped his view that such a background was not a prerequisite for higher office. Slyunkov's party experience, for instance, had been limited to a two-year stint as head of the Minsk Oblast Party Committee. He had spent most of his career in industry—as manager of the Minsk Tractor Plant and as Gosplan's overseer of the machine-building sector. Lev Zaykov also lacked experience in the party apparatus, having spent his career in economic management positions and as mayor of Leningrad.

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Table 2
Changes Among Key RSFSR Regional First Secretaries During Party Elections, 1965-83

	1965	1968	1971	1974	1976	1979	1981	1983
Total changes	**11**	**4**	**4**	**0**	**1**	**6**	**2**	**10**
Demotions	6	4	3	0	1	4	1	4
Promotions	4	0	1	0	0	2	1	0
Retirements	0	0	0	0	0	0	0	5
Transfers	1	0	0	0	0	0	0	1

Information for the number of changes (demotions and promotions) for 1965-81 comes from *FBIS Trends*, 29 December 1983, p. 7.

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At the oblast level, about 20 percent of the party first secretaries were replaced during Andropov's short tenure. This was the greatest number since Brezhnev's first year in office and was in marked contrast to the policy of cadre stability pursued through the 1970s (see table 2). The spate of retirements suggests that Andropov's call in an August 1982 speech for senior party officials to step down gracefully was being answered. Half of the new appointees came from within the oblast, usually from the ranks of the second secretaries or chairmen of the Soviet executive committee; the other half were posted from outside, suggesting some leadership dissatisfaction with the performance of local party officials.

Since the end of the election campaign, the pace of turnover has slowed as would be expected. One kray first secretary was recently transferred to a diplomatic post in Eastern Europe, an Andropov protege replaced an oblast first secretary in Karelia, and a third regional secretary retired in July. Only one republic party boss has been replaced during Chernenko's tenure. In April, Avgust Voss, who had headed the Latvian party organization for 18 years, was replaced by Boris Pugo, 47, who had directed the Latvian KGB. Latvian press reports indicate that Pugo has been busy removing local officials accused of corruption. This suggests that Andropov's approach to personnel policy still has strong support within the leadership.

The Economic Ministries

At the time of Brezhnev's death, many of the 60 or so economic ministers and state committee chairmen represented on the Central Committee had held their posts at least since the ministries were reestablished in 1965. Two-thirds were in their late sixties or seventies. Since November 1982 there have been 22 personnel changes affecting important economic officials represented on the Central Committee. Those who retired were nearly all in their seventies (with an average of 15 years' tenure in their posts), while the average age of their replacements was just over 55. 25X1

The transport, construction, and machine-building sectors, which had records of poor performance, were especially affected by the personnel changes. Shortly after Brezhnev's death, Aliyev was brought into the Council of Ministers to supervise transportation. Soon after, the Railway Minister was sacked and replaced by his deputy. In July 1983, Ignatiy Novikov, a deputy premier and chairman of the State Committee for Construction since its creation, was forced out of office in disgrace after a major construction scandal, Gosplan's first deputy chairman for construction, Vasiliy Isayev, was also retired. 25X1 25X1

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In the machine-building sector four ministers were retired—two under Andropov and two under Chernenko. The new machine-building officials appointed by Andropov had backgrounds in the defense sector. Sergey Afanasyev was transferred from a ministry responsible for missile development to head the Ministry of Heavy Transport and Machine Building; Yuriy Maslyukov, who moved into the Gosplan slot overseeing machine building after Slyunkov's transfer, was formerly a deputy minister of the Defense Industry. These moves suggest that a decision was made under Andropov to tap the talents of experienced managers from the defense sector to help improve performance in the rest of the economy. Of the two appointed under Chernenko, Lev Vasilyev, 58, is an experienced factory manager who once headed the Kama truck complex, but the other, Yuriy Solov'yev, is a former engineer and Leningrad party official with ties to party secretary Romanov.

The National Security Apparatus

Under both Andropov and Chernenko, there have been few high-level personnel changes in the Ministries of Foreign Affairs and Defense. This stability may reflect the leadership's satisfaction with the performance of these ministries or the greater political influence that Foreign Minister Gromyko and Defense Minister Ustinov have reportedly enjoyed since Brezhnev's death.

In the Foreign Ministry, Gromyko's promotion in March 1983 to First Deputy Premier, while retaining his post of Foreign Minister, symbolized his increased prominence. The earlier appointment of two new deputy ministers—Mikhail Kapitsa (for Asian affairs) and Viktor Komplektov (for US-Soviet relations)—may have been instigated by Andropov. Both officials were promoted within his first month in office.

The only top-level change in the Ministry of Defense was the promotion, under Chernenko, of Army Gen. Vladimir Govorov, commander in chief of the Far Eastern Troops, to deputy defense minister. Under Andropov, however, a series of top officers, including First Deputy Chief of the General Staff Sergey Akhromeyev and Ground Forces Commander in Chief Vasiliy Petrov, were promoted to Marshal of the Soviet Union. At the June 1983 plenum, Akhromeyev and Deputy Defense Minister Vitaliy Shabanov were also promoted from candidate to full membership in the Central Committee.

Largely as a result of Andropov's crackdown on official corruption, the law enforcement agencies—the Ministry of Internal Affairs and the KGB—have undergone more high-level changes in personnel than the Defense or Foreign Ministries. In a political move directed against one of Brezhnev's closest clients, Andropov sacked Minister of Internal Affairs Nikolay Shchelokov, who had largely ignored the corruption among senior political officials, and replaced him with Vitaliy Fedorchuk, who had succeeded Andropov in May 1982 as KGB chief. Simultaneously, Andropov's former first deputy, Viktor Chebrikov, was promoted to succeed Fedorchuk as head of the KGB. Last December, shortly before Andropov's death, Chebrikov was again promoted, this time to candidate member of the Politburo.

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Prospects

Evidence so far suggests that personnel changes are continuing under Chernenko, although at a slower pace than under Andropov. Indeed, because of the advanced age of many Brezhnev-era appointees, it is inevitable that cadre renewal will proceed as older party officials die or retire.

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The continued influence of former Andropov allies Gorbachev and Ligachev over personnel policy also suggests that we will continue to see younger and more managerially oriented officials assuming posts in the Council of Ministers and party apparatus. Some of the other younger members of the Politburo, including Romanov, also can be expected to press the cases of their proteges for higher office. The challenge for Chernenko will be to reassure his supporters that the pace of personnel change, which they found threatening under Andropov, has been slowed, and at the same time to strengthen his power base by installing more of his clients in key positions. His consolidation of power may well hinge on his ability to accomplish these two somewhat conflicting goals.

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US-Soviet Relations: The Soviet View

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Soviet policy toward the United States presents seeming contradictions that probably reflect Moscow's attempt simultaneously to serve both tactical and long-term aims. Moscow's harsh rhetoric, inflexibility on resuming the Geneva talks, and withdrawal from the summer Olympics appear aimed at influencing the administration's policies by provoking criticism from domestic opponents and US allies anxious over US-Soviet tensions. At the same time, Moscow's proposal to hold talks on limiting space weapons and willingness to move forward on some bilateral issues suggest that the Soviet leadership wants to maintain a working relationship in areas of specific interest to the USSR, including measures aimed at preventing crises.

Spring Freeze

During the final weeks of Andropov's life and the early weeks of Chernenko's tenure as General Secretary, there were signs that the Soviets were interested in exploring the possibility of progress on security issues other than the stalemated START and INF talks. This trend was most evident in Chernenko's election speech of 2 March. He claimed that progress on a series of issues—he cited the unratified nuclear test ban treaties, demilitarization of outer space, and chemical warfare—could lead to a "breakthrough" in relations. Along with other efforts at the time to probe the US position on security issues, this speech may have reflected a belief by some Soviets, perhaps Chernenko particularly, that the administration would prove more responsive to Moscow's overtures on the eve of a US election campaign. On the other hand, it may simply have been a perceived obligatory move by a new leader.

By mid-March there was an abrupt hardening of Moscow's attitude toward Washington. This became apparent in the chilly reception accorded a group of senior US arms control experts and in public leadership statements, including some by Chernenko and Defense Minister Ustinov. Of particular significance, in April the Soviets introduced last-minute technical issues into bilateral talks on upgrading crisis communications that appeared aimed at delaying agreement. They also insisted, over US objections, that the format for any agreement be an exchange of notes rather than a more formal document signed at the ministerial level.

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President Reagan's visit to China at the end of April evoked strong Soviet criticism. TASS on 3 May accused the President of trying to give the talks with the Chinese "a provocative anti-Soviet orientation," and it called the visit "fresh confirmation" of US unwillingness to seek agreement with the USSR on disarmament issues. Five days later, the Soviets announced their pullout from the Olympics.

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The Soviets also disparaged President Reagan's public assertions of his willingness to advance the bilateral dialogue. Soviet commentators dismissed his offer on 4 June to discuss a reaffirmation of the nonuse of force, a point the Soviets had stressed at the Conference on Disarmament in Europe, as only a—"semblance" of willingness to talk. They criticized the President for making talks on this issue conditional on Soviet consideration of Western confidence-building proposals, which Moscow characterized as "legalized espionage," and for not agreeing to discuss "no first use" of nuclear weapons as well. To emphasize that relations were stalemated, the Soviets publicly denied that significant discussions were taking place

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The Soviets waited several days before making a direct response to the President's statement at a news conference on 14 June that he would be willing to hold a summit meeting without prior agreement on an agenda. They then reiterated their standard position that they favor a summit in principle, but that it must be well prepared. They claimed that the President's remarks revealed no changes in the US position and therefore could not be considered a serious offer.

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The Soviets also indicated their attitude in more militant ways:

- Attempts to tamper with Western access to Berlin began in February.
- Military exercises of unprecedented scope, which stressed the USSR's ability to retaliate in case of a preemptive US attack, were held in the USSR in April.
- Areas in East Germany denied to Western military liaison missions were extended in May.
- Harassment of US journalists and American officials in the USSR increased in May.

The increased Soviet harshness toward the United States was accompanied by a general tightening of Soviet policies both at home and abroad. Repression of dissidents intensified, highlighted by the handling of Andrey Sakharov and Elena Bonner. The Soviets also appeared to be demanding—with little sign of success—greater East European conformity with their foreign and security policies.

Calculations Behind the Freeze

The hardening Soviet attitude may in part have reflected disappointment by some within the Soviet leadership, possibly including Chernenko, that electoral or other considerations did not prompt a more concessionary US response to the hints conveyed in Chernenko's March speech and elsewhere.

The hardening line may also have reflected in part the role of Foreign Minister Gromyko, whose influence over foreign policy showed some signs of having grown following Chernenko's succession:

- Senior Foreign Ministry officials, in conversations with Western diplomats in May, took the unusual step of denying the authoritativeness of statements by Director Georgiy Arbatov and other members of the Institute for the USA and Canada on the possibility of resuming the Geneva talks.

- Gromyko appeared in full control of foreign policy issues during West German Foreign Minister Genscher's talks in Moscow in May.

More generally, the freeze the Soviets imposed on relations beginning in March appeared to reflect a judgment that the most effective means of influencing US policy would be to portray the bilateral relationship in the worst possible light, thereby provoking ever sharper criticism of the administration's policies by domestic opponents and US allies. The Soviets may have calculated that the administration would be particularly sensitive to such criticism as the election campaign got under way and therefore more inclined to consider altering some of its negotiating approaches in hopes of reengaging Moscow in an arms control dialogue. 25X1

The Soviets may have entertained hopes that this approach might hurt the President's reelection prospects. Even if—as seems more likely—they estimated they could not significantly affect the US election campaign, they may have thought they could sustain domestic and allied pressures on the administration and thereby constrain the policies of a second-term Reagan administration. While the Soviets have made no secret of their preference for a change in administration, a number of them have stated privately that they expect the President to be reelected, and they have publicly adopted the posture that it is immaterial to them who occupies the White House, claiming they are prepared to do business with either US political party. 25X1 25X1

Partial Thaw

Since late May a number of developments have suggested that the Soviets have determined that it is in their interest to maintain cooperation in some areas and to conclude agreements on selected issues even if this helps the administration politically. 25X1 25X1

Several of these developments have been in areas where the Soviets appear to believe they have significant security interests at stake. Even during the coldest period in bilateral relations, the Soviets maintained a generally businesslike attitude at the Standing Consultative Commission in Geneva, which considers compliance with the SALT accords. Both delegations agreed that the atmosphere of the round that ended in May was better than that of last fall, and the two sides agreed fairly quickly to meet for the next session in October. The Soviets also took a businesslike approach to the discussions in Moscow in late May to review the operation of the Incidents at Sea agreement. In early July the Soviets accepted US proposals to deal with the remaining technical aspects 25X1

of upgrading crisis communications and agreed to an exchange of notes between the acting Secretary of State and the Soviet charge d'affaires in Washington to ratify the agreement. The exchange took place on 17 July.

The most notable manifestation of the priority Moscow accords its security concerns was its proposal of 29 June to begin talks in September on limiting weapons in space, an offer that contrasted sharply with its continuing refusal to resume negotiations on limiting strategic and intermediate-range nuclear weapons. The Soviets could not have been certain that the United States would accept their offer, and they presumably calculated that a US rejection would yield them political benefits in the form of propaganda gains and the administration's increased vulnerability to charges that it was not serious about arms control. Nonetheless, they clearly were aware that if the administration accepted the offer, even on a conditional basis, it could deflect much of the criticism it had been receiving on the latter count and claim that its management of East-West relations was producing positive results. The Soviets must therefore have calculated that the possibility their offer would help the administration politically was outweighed by the urgency of attempting to limit US development of antisatellite weapons and the US Strategic Defense Initiative.

On some economic, political, and security issues, the Soviets apparently concluded that they had special interests that outweighed the considerations that had prompted them to impose the freeze on relations. On 27 June, barely a day before the 10-year bilateral agreement on economic, industrial, and technical cooperation was to expire, they agreed to extend it for another 10 years. They dropped earlier demands that had included recertification of Aeroflot flights to the United States and a reduction in restrictions on Soviet merchant ships putting in at US ports. By the end of June, the Soviets were also displaying willingness to make progress in resolving lower-level consular issues, and on 5 July Gromyko agreed to a US proposal to begin talks on a new cultural exchange agreement.

Reasons for the Thaw

It is clear that the Soviets had specific reasons for deciding to proceed in each of the areas cited above, the most compelling reasons presumably being those that bore upon security issues. Nonetheless, the number of areas in which the Soviets have appeared willing to allow progress since the end of May contrasts strikingly with the general freeze they had imposed on relations during the preceding two months. This contrast suggests a conscious decision to revise the earlier policy.

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To the extent that the freeze had been intended to increase political pressures on the administration in an election year, the policy would have been subject to continuing review in light of the ongoing Soviet assessment of the US campaign. If it appeared in Moscow that the President's prospects were improving, voices almost certainly would have been raised for moving ahead on issues where Soviet interests were clearly apparent, rather than continuing to block progress at the risk of having to deal with a strengthened—and from the Soviet viewpoint possibly more intransigent—US administration after the election. Some Soviets might have argued further that it was in Moscow's interests at least to preserve the foundation for working relations with the administration by concluding agreements where mutual interests were at stake even while more contentious issues remained deadlocked.

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Prospects

Whatever the reason for the partial thaw in Soviet policy, it almost certainly represents an adjustment of course, rather than a change in the long-term Soviet view of bilateral relations. In fact, the Soviets appear to be undecided on several key questions affecting the outlook for relations. Despite more frequent assertions

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in recent weeks that they expect President Reagan to be reelected—assertions probably intended at least in part to give credibility to their proposal for space weapons talks—it is highly unlikely that they would feel confident enough of their ability to forecast the election outcome to base firm policy decisions on it.

Moreover, the Soviets appear undecided as to how much better off they would be if the elections resulted in a change of administration. Soviet media have criticized the Democratic Party platform for not departing substantially from the policies of the administration in regard to the conduct of US-Soviet relations.

More generally, Soviet observers appear divided as to whether US willingness in recent years to challenge the Soviets more forcefully represents a temporary, limited phase in US policy or a long-term trend that will require a substantial reallocation of resources and a general revision of policy toward Washington.

Given these uncertainties, the Soviets seem unlikely to undertake any aggressively hostile ventures in relations with the United States. They could not be sure that such a move would not boomerang, rallying support to the President and increasing US determination to strengthen preparedness to counter such challenges in the future. Moreover, if the move involved any military risk it could turn into a serious embarrassment to the Soviets. They might, however, consider challenging US interests in other ways sometime before the US election. For example, delivery of aircraft that could help the Sandinista regime significantly in its battle against the *contras* could be undertaken in the hope of putting the administration in the politically embarrassing position of having either to acquiesce in the move or take action that could result in its being labeled trigger-happy. 25X1

Soviet policy toward the United States for at least the next several months is likely to remain a mixture of the following:

- Intransigence on some issues, probably including any formal resumption of START and INF. 25X1
- Bleak though not necessarily alarmist portrayals of the state of relations, coupled with hints that these could improve dramatically if the United States were to display a willingness to make concessions. 25X1
- Willingness to make progress in selected areas of bilateral relations where the USSR believes continued stalling would be against its own interests. 25X1

The proposed talks on limiting space weaponry probably will remain in the latter category. On this issue, Soviet security concerns appear to be the driving force. In START and INF, by contrast, political tactics remain paramount, and for now the Soviets perceive their interests to be served by continued stalling. So long as NATO INF deployments continue and the Soviets perceive political opportunities to disrupt or delay deployments, they are unlikely to agree to a near-term resumption of the Geneva talks or to any public linkage of START and INF with space weapons talks. For the Soviets to agree to resume negotiations on INF while deployments continue would be to concede a near-total political defeat on the INF issue and forgo whatever leverage they think they have on the anti-INF movement in Western Europe. At a minimum, any Soviet move to resume formal negotiations on nuclear weapons issues is likely to be postponed until after the US elections. 25X1

Eventually, Soviet interest in limiting US strategic systems and INF deployments almost certainly will prove compelling, and the Soviets then will seek a means of resuming negotiations. 25X1

Preparation of the 1986-90 Defense Plan

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The Soviet defense planning process appears to be proceeding on course despite recent leadership changes. The Soviets elaborate defense policy in a five-year defense plan—part of the state economic plan—over the course of a highly structured five-year preparation period. For the 1986-90 defense plan, the planning cycle began in 1981 and basic guidelines for defense policy and corresponding requirements were probably established by early 1983. Roughly a year and a half remain until the plan is scheduled to receive final approval. Although some adjustment in defense procurement plans may be necessary to reconcile competing demands on the machinery sector, major changes in plan priorities will prove increasingly difficult—though not impossible—because of the rigidities of the defense planning process and other factors.

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The Defense Planning Process

The Five-Year Defense Plan for the Development of the Armed Forces (FYDP) constitutes the complete military subset of the Soviet five-year state economic plan. The FYDP specifies such major tasks as weapons research and development (R&D) programs, weapons and material procurement, rates and levels of deployment, changes in force structure, military training plans, operational requirements, and military construction.

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The Soviets are currently in the fourth year of the planning cycle for the 1986-90 FYDP

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Indications That 1986-90 Planning is Proceeding on Schedule

- Pravda *reported at the Supreme Soviet Presidium session on 18 June that "The questions posed in the findings of the chamber planning and budget commissions and speeches by USSR Supreme Soviet deputies are reflected in the draft Basic Guidelines for the USSR's Economic and Social Development in 1986-90, which is being elaborated, and in targeted comprehensive programs."*

- *In a 14 July interview in* Pravda, *a deputy chairman of Gosplan stated that major decisions on the scope of the consumer program were being finalized.*

- [redacted] *1986-90 plan guidelines for major industrial projects and foreign trade were being defined.* [redacted]

[redacted]

Delays in the Planning Process?

Recent evidence indicates that basic resource allocation decisions have been made for elements of the civilian sector and several major industrial projects for the next five-year period (see inset). Although this evidence does not preclude the possibility of dispute over important investment decisions or even contention over the FYDP, it leads us to conclude that major defense policy guidelines have been established, because these decisions normally precede drafting of the five-year economic plan. It is unlikely that finalization of civilian planning guidelines (including resource commitments) would proceed across a broad front if basic defense policy decisions remain to be made. [redacted]

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Although we have no conclusive evidence of past changes made in defense planning or delays in the approval of the previous FYDPs, unexpected domestic and international influences seem to have at least delayed and perhaps prompted changes to past five-year state economic plans. For example:

- The Ninth Five-Year Plan (1971-75) was delayed by one full year, reportedly because of problems with the allocation of resources to the agricultural sector [redacted]

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[redacted]

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Final approval of the 12th five-year economic plan (1986-90) could still be delayed. Any change or delay in the plan might have an impact on defense planning. The effect would depend on the magnitude of the change, the economic sectors affected, and when in the planning cycle the delays occurred. Conversely, despite the lack of conclusive evidence of any changes made to defense plans late in a planning cycle, problems in the FYDP itself could cause delays in the 12th Five-Year Economic Plan. In sum, then, we still do not know to what extent defense plans can be revised toward the end of the planning cycle. [redacted]

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Systemic Hindrances to Changes in Defense Guidelines

The defense planning process itself, with its established system of approvals, acts as a hindrance to making major changes late in the plan preparation period. The military's practice of preparing its plan and receiving leadership approval early in the process is designed to protect its priority claims to resources throughout the economy. Within the next several months, Gosplan will be translating economic policy decisions made by the leadership into control figures that reflect aggregate resource allocations among sectors of the economy. Its calculations will be based on the party's policy guidance, which is conditioned by the preapproved list of military requirements. Because the Soviet military is deeply involved directly or indirectly with almost every other ministry, substantial adjustments to major weapon development and production programs—most of which involve hundreds of participants—probably would require modification to resource commitments throughout the economy. Therefore, any major changes in the FYDP would be likely to delay completion and approval of the next five-year plan.

Much of the FYDP is predetermined by ongoing weapons programs that form the basis of the new plan. The programs begin with a Central Committee and/or Council of Ministers decree, which details the responsible development organizations, program schedules, and products to be delivered and tested. These programs, many spanning more than one five-year plan, build momentum into the FYDP and commit resources such as labor, facilities, and other capital equipment.

This momentum is reinforced by the planning practices within Gosplan. Gosplan frequently bases its planning calculations on past performance, a practice called "planning from the achieved level." most planners come from similar backgrounds and share the same general perceptions of priorities. They also realize that overly ambitious projections probably would not only disrupt the planning process, but reflect negatively on the planners themselves. Finally, the iterative process of departmental negotiations within Gosplan encourages only incremental changes. The net result of these practices is the perpetuation of previously established priorities.

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The need to plan for the military development of the Warsaw Pact as a whole also limits major changes in Soviet plans in the late stages of plan preparation. Over the last decade the Soviets have moved successfully to increase defense and defense-industrial integration in the Pact. The Pact has its own five-year defense plan, which fulfills the same function as the Soviet FYDP, although as a multinational plan it also specifies assignments for defense-industrial cooperation and inter-Pact purchases. (There is no equivalent five-year economic plan on the multinational level as yet, the Soviets are pressing their allies to integrate further individual national plans.) Major changes in the Soviet five-year plan would also disrupt planning for the Warsaw Pact as a whole, a situation the Soviets would be anxious to avoid.

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Finally, the Soviets incorporate room in the plan to accommodate unforeseen developments. Flexibility is provided by means of annual plans (elaborations of five-year plans on a year-by-year basis) and reserves to accommodate unforeseen weapon programs or other resource requirements after the plan has been finalized. Thus, projects not foreseen during a plan drafting stage can be started in the middle of a five-year plan, especially since early stages of weapon programs are usually not resource intensive. This flexibility frequently eliminates the need to make adjustments after a draft defense plan is approved.

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Other Topics

The Soviet Economy at Midyear 1984

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The Soviet economy continued a moderate recovery in the first six months of 1984. The industrial sector, in particular, appears to be sustaining the better performance of last year, when growth in output picked up after several sluggish years. The railroads also are continuing to do a better job of moving freight—bottlenecks and freight car shortages have become less frequent. Taking into account the declining prospects for agricultural production, we estimate that GNP growth probably will be in the 2-to-3-percent range for the year.

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Industry—On a Par With 1983

Soviet industrial production in first half 1984 was 3.5 percent above the year-earlier level, according to our calculations. The industrial sector's record during the past year and a half represents an improvement over recent years—industrial output grew 2.5 percent a year on average during 1979-82—but is still well below the pace of the early 1970s.

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Industrial Materials. The production of industrial materials grew at about the same rate as in first half 1983, although performance fell off in several key branches. Output of ferrous metals and construction materials, for instance, increased at a rate below that of first half 1983 because of shortages of critical raw materials and skilled labor as well as inadequate investment. However, most branches of the chemical industry, nonferrous metals industries, and the wood and paper industry equaled or bettered last year's performances.

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In the energy sector, results were mixed. Oil output was down slightly in the first six months because of

Table 1
USSR: Growth in Industrial Production

Percent change

	1982	1983	First Half 1983	First Half 1984
Industry	**2.3**	**3.4**	**3.7**	**3.5**
Machinery	3.8	3.5	4.1	4.1
Industrial materials	1.4	3.4	3.3	3.4
Ferrous metals	0.4	4.0	2.5	1.8
Crude steel	−0.9	4.0	2.3	2.0
Rolled steel	−0.7	4.0	1.9	2.1
Steel pipe	−2.0	4.0	5.0	0.7
Nonferrous metals	1.5	3.0	4.0	4.0
Fuels	1.8	1.2	1.7	1.0
Coal	2.0	−0.3	−0.1	−0.5
Oil (including gas condensate)	0.6	0.6	1.3	−0.1
Gas	7.7	7.1	7.3	8.7
Electric power	3.1	3.6	3.5	5.5
Chemicals	1.8	6.0	5.2	4.9
Mineral fertilizer	2.7	11.1	9.0	4.0
Synthetic resins and plastics	−0.8	8.9	7.0	11.0
Chemical fibers	2.0	9.6	4.6	6.8
Tires	2.0	0.5	0.4	3.0
Wood, pulp, and paper products	0.4	3.0	3.4	4.0
Construction materials	0	3.1	3.4	2.8
Consumer nondurables	1.3	3.3	3.7	2.2
Soft goods	−0.5	0.9	0.8	1.0
Processed foods	2.8	5.2	6.0	3.2

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Table 2
USSR: Production of Major Fuels

	1981	1982	1983	First Half 1983	First Half 1984	1984	
						Plan	Projected
Oil *(million b/d)*	12.18	12.25	12.33	12.38	12.31	12.45	12.23-12.35
Coal *(million metric tons)*	704.0	718.1	716.0	363	361	723	710-715
Gas *(billion cubic meters)*	465.3	500.7	535.5	265	288	578	582-585

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inadequate inventories of good-quality oilfield equipment, shortages of well-maintenance crews and other skilled labor, bad weather early in the year, and delays in the massive program to add pumps to West Siberian oil wells. The production goal for 1984 now is beyond reach, and Moscow will do well to match 1983's output. Coal production was also down somewhat in the first half, and the modest 1-percent growth planned for 1984 is probably also unattainable; output could fall below last year's level of 716 million tons.

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On a more positive note, gas and electric power production both advanced at rapid rates. With first-half gas output above plan, this year's goal should be easily surpassed. Production of electricity increased by a healthy 5.5 percent compared with first half 1983—well above the 3.5-percent rate of increase planned for the year. The major reason for the improvement has been the ample fuel supplies available this year because of a mild winter and the conversion from oil to gas at a number of power plants.

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Machinery. Machinery output increased by about 4 percent in the first six months of 1984, above the average for industry as a whole but considerably lower than the 7-percent rate planned for 1981-85. Machine building is a pivotal sector, producing military hardware as well as consumer durables and machinery for investment. Reduced availability of rolled steel products and inadequate investment in the machinery industries, however, have held back growth in this sector during the 1981-85 Plan.

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Consumer Goods. Growth in the production of nondurable consumer goods slowed in the first six months of 1984. The dropoff was especially apparent in processed foods such as butter, vegetable oil, and canned foods. Production of other nondurables increased at about the same low rate as last year.

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Transportation

Total freight turnover totaled 3.8 trillion ton-kilometers during the first half of this year—up over 3 percent compared with first half 1983, and slightly ahead of plan. The road and river transport sectors, however, did not do well, and the decline in highway traffic is the only one in the last 10 years. Transport of natural gas, on the other hand, advanced rapidly as new pipelines were commissioned. Five of the six gas pipelines planned for construction during 1981-85 have now been completed.

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Much of the responsibility for the dropoff in industrial performance in recent years can be traced to the railroads, which bear the major share of the transportation burden in the USSR. This sector now appears to be in the process of righting itself. Rail freight traffic increased by about 2 percent during the first half—less than last year's 4-percent growth but still a solid showing in view of the major problems in this sector since the late 1970s. Although plans for shipping some commodities—such as coal and lumber—were not met, the problems appear to be local and not a signal of widespread disruptions in the rail network.

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Table 3 *Percent*
USSR: Growth of Freight Turnover

	1981	1982	1983	First Half 1984
Total	**4**	**1**	**5**	**3**
Rail	2	−1	4	2
River	4	3	4	−7
Highway	7	2	0	−4
Oil pipeline	4	3	4	2
Gas pipeline	14	13	12	15

Table 4 *Percent*
USSR: Growth of Capital Investment

1981	1982	1983	1984		Plan 1981-85
			First Half	Plan	
3.8	3.5	5.0	2.0 [a]	3.9	1.6 [b]

[a] State capital investment.
[b] Average annual rate of growth.

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Investment and Employment

State capital investment, which typically accounts for about seven-eighths of total capital investment, rose 2 percent in the first six months of this year—one-third the rate at which it increased during first half 1983. It is too early to tell whether this reflects a conscious effort to slow the growth of investment. Earlier during the current five-year planning period a decision apparently was made to step up the growth of investment, and it has been rising at an average annual rate of about 4 percent, more than double the rate called for in the 1981-85 Plan.

Growth in employment continued to slow during January-June 1984, reflecting demographic trends. Total employment rose less than 1 percent and the increase in industrial employment was even smaller. Using last year's trends as a guide, we assess that the biggest gains probably occurred in the service sectors—particularly education and health—and in state agriculture.

Consumer Well-Being

Data for the first six months of 1984 do not indicate any shifts in the Kremlin's policies in the area of consumer welfare:

- The increase in the average monthly pay of wage and salary workers was in line with the 2.7-percent annual rate called for in the 1981-85 Plan.
- Support for the Brezhnev Food Program has continued. Over one-third of state capital investment was allocated to the agro-industrial complex during January-June 1984, roughly the share called for in the 1981-85 Plan.
- Rationing of selected food items is continuing. The system of special distribution of foodstuffs through the workplace (which originated in the 1970s and is considerably more extensive than the traditional special stores for selected elites) is still in use.

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Meanwhile, increased supplies of some foodstuffs and many nonfood items in the first six months of this year have reduced the imbalance between consumer purchasing power and the availability of consumer goods. Meat output is at record levels as meat production on state and collective farms—which account for about two-thirds of the total—rose 8 percent. Production of clothing, textiles, and knitwear also increased. Reductions in retail prices of selected consumer goods early in the year may have boosted consumer spending as growth in retail trade turnover tripled during first half 1984. Still, imbalances in consumer markets continue, mainly because of the inability of the planners to get enterprises to produce the right assortment of goods and services, the failure to adjust relative retail prices, and the lack of effective quality control.

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Table 5
USSR: Selected Indicators of Consumer Welfare

	1981	1982	1983	First Half 1983	First Half 1984 [a]
Percent increase in average monthly wages of workers and employees	2.1	2.8	2.7	2.3	2.4
Percent increase in retail trade turnover [b]	4.1	0	2.8	1.6	5.1

[a] Compared with first half 1983.
[b] Although the Soviet series reflects some disguised inflation, the difference in growth rates between 1982 and first half 1984 is substantial.

Foreign Trade

Moscow finally appears to be making progress in implementing its foreign trade policy for 1981-85, which calls for an increasing share of trade to be conducted with Communist countries. Trade turnover with the Communist Bloc rose 11 percent in first quarter 1984 compared with the year-earlier period—slightly above the 10-percent increase called for in this year's trade plan—and the Communist share of total Soviet trade rose from 56 to 60 percent. As in 1983, a sharp increase in purchases of East European machinery and equipment probably accounted for the bulk of the growth in imports from the Communist countries. The trend in machinery deliveries is generally consistent with the statements Soviet leaders have made about the need to rely less on Western goods and technology. These statements reflect the Soviet reaction to Western trade restrictions and a long-standing desire to conserve hard currency.

Hard currency exports and imports both declined in the first quarter. However, because exports dropped much less than imports, Moscow recorded a $700 million trade surplus as opposed to a $500 million deficit in the year-earlier period. Imports from Italy, Japan, and West Germany fell sharply mainly because of lower purchases of machinery and equipment and reduced imports of large-diameter pipe for the nearly completed Siberia–to–Western Europe natural gas pipeline. Imports of agricultural commodities from Argentina, Australia, and Canada also were down, while purchases from the United States remained at about the level of first quarter 1983. The decline in exports was mainly the result of a reduction in military sales to less developed countries. The Kremlin offset a more-than-10-percent fall in oil prices by boosting the volume of its oil exports to the West. 25X1

The hard currency surplus helped the Soviets boost their assets in Western banks during first quarter 1984 by about $1.8 billion; liabilities increased by approximately $1.3 billion. We estimate that Moscow's total net hard currency debt was about $10.5 billion at the end of the quarter. 25X1

Reasons for the Better Performance 25X1

We believe that much of the recent economic improvement is the result of earlier policy decisions:

- Some major personnel and management changes were made. Last year's replacement of the Minister of Railroads and the special responsibility given Politburo member Geydar Aliyev to oversee the rail system, for example, appear to have streamlined rail operations and improved discipline and morale.

- The decision to raise capital investment above planned levels was also important, because planners have been able to direct badly needed investment resources to troubled areas.

- The cumulative effect of what we estimate as little or no growth in military procurement during 1976-82 relieved pressure in the machinery sector and made it possible to support a larger investment program. 25X1

Particularly encouraging to the regime is the apparent accelerated growth in labor productivity in the face of tighter labor supplies. Andropov apparently succeeded in his efforts to boost productivity through his discipline and anticorruption campaigns. Chernenko, in turn, has continued if not intensified these programs. 25X1

Nevertheless, the positive effect of these efforts probably would not have occurred if food supplies and the availability of other consumer goods had not improved. [redacted] 25X1

Another important factor in the recovery has been the attack on various bottlenecks in the economy. Problems in the transportation, power, and metals sectors all have eased. One of the reasons for the more comfortable position has been better weather. Relatively benign winters the last two years, for instance, have helped to ease rail freight snarls. Hydroelectric power production also has improved because of higher water levels resulting from more typical rainfall in Siberia. [redacted] 25X1

The new regime appears to have had little impact on economic performance in the first half of the year. Chernenko took power well after the 1984 Plan had been approved and put into effect, and he has largely adopted the tactics and programs of his predecessor. Few new initiatives have been put forth, although Chernenko has advocated an increased role for local governments in overseeing the economy and has called for trimming the size of the bureaucracy and for educational reforms. Such programs, in effect for only a short time, will have minimum impact on the economy this year. [redacted] 25X1

Outlook

We estimate that Soviet GNP will increase by 2 to 3 percent this year. For GNP growth to be at the high end of the range, both the industrial and livestock sectors will have to maintain their recent performances. Livestock production in turn will depend on Moscow's willingness to spend hard currency on grain imports needed to cover any deficits caused by lower domestic production. The outlook for the hard currency trade balance will depend mainly on how oil prices hold up and on how much grain Moscow imports.

[redacted] 25X1

A Comparison of Soviet and US Gross National Products, 1960-83

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The CPSU is setting a great task—to achieve in the next 20 years a standard of living higher than that of any capitalist country. . . . In 20 years, the USSR will have almost twice the present industrial output of the entire nonsocialist world. . . . By accomplishing its basic economic task, the Soviet Union will win a world-historic victory in the peaceful competition with the United States.

General Secretary Khrushchev
1961

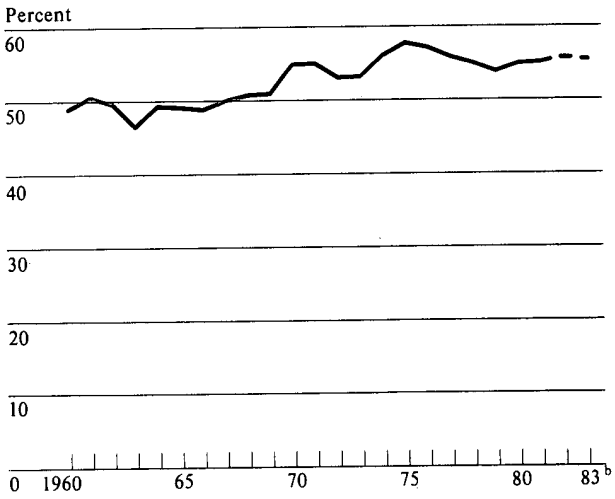
Khrushchev's forecasts have not been realized, although the Soviets have made some progress. Recently completed analysis of the annual gross national products of the two countries shows that the Soviets gained on the growing US economy between 1960 and 1975 as their output rose from 49 to 58 percent of the US total.[1] Between 1975 and the late 1970s, however, it dropped to about 55 percent of the US GNP, and it remained near that level through 1983 (figure 1).

The Soviet Union gained on the United States from the mid-1960s to the mid-1970s because average annual Soviet growth rates during the Eighth and Ninth Five-Year Plans (FYPs) were higher than average American rates during the same periods. Soviet growth, however, had been slowing since at least the mid-1960s, and the relationship between the two economies began to shift in America's favor in the 10th FYP (1976-80) as the decline in Soviet growth rates continued while US growth accelerated.

Although the Soviet Union gained ground relative to the United States over the 20-year period as a whole, the absolute size of the gap between the two economies in goods and services produced annually increased, whether measured in rubles or dollars. The US recessions of 1970, 1974-75, 1980, and 1982 caused the gap to lessen in those years, but the trend has been upward, and the gap widened noticeably after 1976. Between 1961 and 1983, US GNP grew 300 billion dollars or 285 billion rubles more than Soviet GNP.

[1] Geometric mean of comparisons valued in 1976 dollars and 1970 rubles.

Figure 1
Soviet GNP as a Percentage of US GNP, 1960-83[a]



[a] Measured by calculating the geometric mean of the percentages expressed in 1970 rubles and 1976 dollars.
[b] Preliminary.

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Trends in GNP Components[2]

The largest shifts in the uses of GNP between the two countries in the 1975-83 period were in defense and investment. Average annual Soviet growth rates in these areas were markedly lower in the 10th FYP than in earlier plan periods and were lower than corresponding average American rates.

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Defense. The absolute level of the Soviet defense effort has remained substantially above that of the United States since the early 1970s. Real decreases in US defense spending occurred between 1969 and 1976 as the United States disengaged from the Vietnam conflict, while consistent growth pushed total

[2] The estimates in this paper were prepared with data ending in 1981. Preliminary estimates for 1982 and 1983 were prepared using rough aggregate indexes. These could not be applied with confidence at the component level, but an update now under way will extend the component comparisons to 1982 and 1983.

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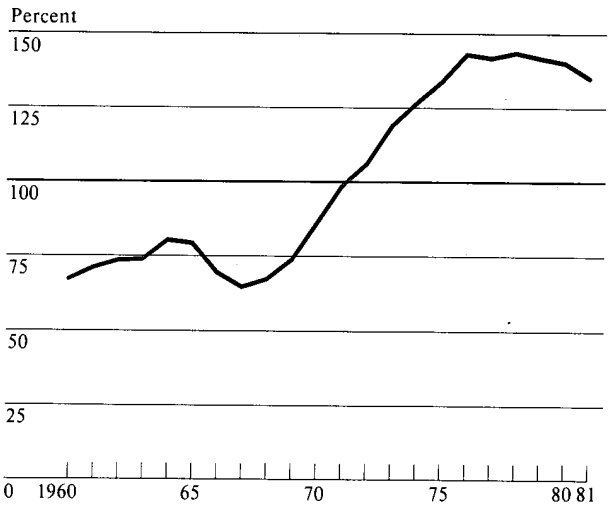
Figure 2
Soviet Defense as a Percentage of US Defense, 1960–81[a]



[a] CIA defense comparisons have traditionally been made in dollars or rubles. This figure presents the geometric mean of the two comparisons for consistency with the rest of the figures in this paper.

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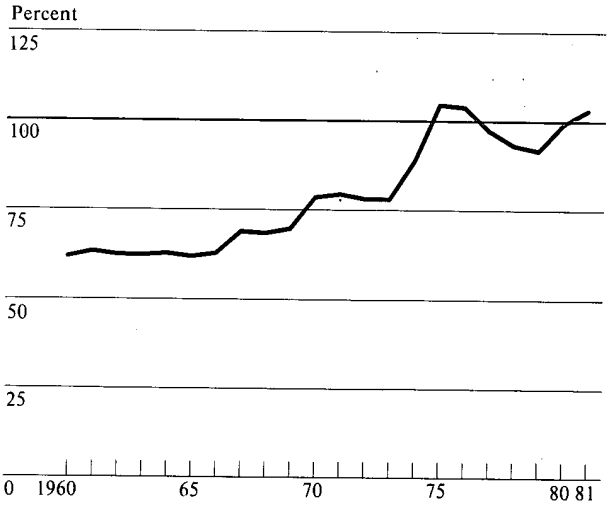
Figure 3
Soviet Investment as a Percentage of US Investment, 1960–81[a]



[a] Geometric mean of the dollar and ruble comparisons.

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Soviet defense costs to a level over 40 percent higher than that of the United States by the mid-1970s. The annual rate of Soviet defense growth slowed after 1976, and the defense cost gap remained at the 40-percent level until 1981, when accelerating US defense costs cut the Soviet lead to around 35 percent (figure 2).

Defense was also the area of the greatest difference in GNP composition between the two economies. The United States halved the share of GNP going to defense following the Vietnam war—from 10 percent in the early 1960s to 5 percent in the early 1970s. The Soviets, on the other hand, had a fairly steady defense burden estimated at 10 to 14 percent of GNP over the 1960-81 period.[3]

[3] These burden estimates use a US definition of defense. They could also be calculated using a Soviet definition, which we believe would include more activities (primarily civil defense and civil space activities that in the United States would be funded by NASA). The US defense burden remains nearly the same whether a US or Soviet definition of defense is used because the costs of US civil defense and civil space activities are small relative to the defense budget. The Soviet defense burden would increase by 1 to 2 percentage points if a Soviet definition were used. In all cases, however, the only appropriate burden calculation is that in which both defense and GNP are measured in the currency of the given country.

Investment. Total Soviet investment has grown almost twice as fast as the US rate since 1960, averaging 6 percent annually compared with about 3 percent for the United States. The absolute level of Soviet investment stayed around three-fifths of the US level through the mid-1960s, rose to four-fifths by the early 1970s, and exceeded US investment in 1975, 1976, and 1981 by a small margin (figure 3). Even so, the growth rate of Soviet investment has been declining since the early 1960s, and markedly lower growth rates during the 10th FYP were a major factor behind the United States' ability to widen the GNP gap.

Soviet gains in comparative levels of investment were most pronounced in the area of construction. Soviet construction rose from about 60 percent of the US level in 1960 to 120 percent by the early 1980s. The

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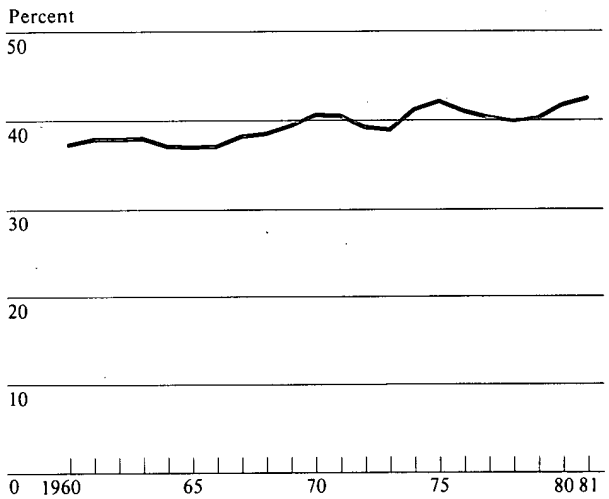
value of the machinery and equipment component also increased relative to that of the United States over the entire period but stayed below the US figure. Underlying these trends is the general tendency in the United States to devote a larger proportion of investment resources to reequipping older facilities and to incorporate more extensive mechanical and electronic equipment into new facilities.

Since 1960 the USSR has devoted a greater share of its economic resources to investment than has the United States. Soviet investment steadily increased from a low of 21 percent of Soviet GNP in the early 1960s to a high of 30 percent by 1981, while US investment fluctuated between 17 and 20 percent of US GNP over the 1960-81 period. Soviet investment for machinery and equipment (including comparably estimated capital repair) steadily increased from 5 percent of Soviet GNP in 1960 to 13 percent by 1981, while Soviet construction plus comparable capital repair remained between 16 and 18 percent of GNP. In the United States, machinery increased from 5 to only 9 percent of GNP in those years, while construction's share steadily decreased from 13 to 9 percent.

Figure 4
Soviet Consumption as a Percentage of US Consumption, 1960-81[a]



[a] Geometric mean of the dollar and ruble comparisons.

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Consumption. The Soviets have gained slightly on the United States in total consumption costs since 1960. Soviet consumption over the period rose from a low of 37 percent of US consumption in the mid-1960s to a high of 42 percent in 1981 (figure 4).

Within the consumption category, Soviet health expenditures showed the most dramatic change by steadily dropping from 67 percent of US health expenditures in 1960 to 38 percent by 1981. This was a consequence of US health costs rising much more rapidly than those in the Soviet Union. Education costs in the Soviet Union began the period at or above the US level, dropped to 86 percent as US expenditures accelerated in the late 1960s and early 1970s, but returned to an approximately equal level by 1981. In the other consumption categories of food, soft goods, durables, and household services, the Soviets showed small but consistent relative gains.

The Soviet Union is unusual among developing countries in that its economy has not become increasingly service oriented. Its household service sector remained relatively steady at 19 to 21 percent of Soviet GNP between 1960 and 1981, while the US household service sector increased from 33 to 39 percent of US GNP by 1975 before falling slightly to 37 percent by 1981. In both countries, the share of GNP devoted to durables increased, soft goods consumption remained about the same, and the share going to food decreased. Food consumption as a share of GNP dropped by as much as 7 percentage points in the Soviet Union and by 4 percentage points in the United States over the period.

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Relative standards of living are usually measured in terms of consumption per capita. The Soviet consumer was less well off compared with his American counterpart when consumption is measured on a per capita basis than is indicated by the aggregate consumption comparison. This is because the Soviet population was 15 to 20 percent larger than the American population over the 1960-81 period. The trends over time of the

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per capita and aggregate consumption comparisons are essentially the same, however, because the populations of both countries grew at the same average rate—about 1 percent a year. Soviet per capita consumption rose slightly over the 1960-81 period, from 31 percent of US per capita consumption in 1960 to 36 percent in 1981. As in the aggregate consumption comparison, Soviet health expenditures showed the most change, dropping from 57 percent of US per capita health expenditures in 1960 to 33 percent in 1981. The other categories of education, food, soft goods, durables, and household services showed slight overall relative gains for the Soviets.

Implications of the Comparisons

Quite obviously, the Soviet Union did not achieve Khrushchev's goal of outperforming the American economy by 1981. It was, however, slowly gaining ground until the mid-1970s. Why did it fail to continue catching up during this period, and what are the implications of this failure for future economic competition?

Soviet GNP growth has been on a downward trend since the late 1960s, but this trend worsened in the late 1970s for a number of reasons. Some were beyond the Soviets' control, such as bad weather, unfavorable international economic conditions, and a decline in the growth rate of the working population. Others included aging of the capital stock—which required increasingly larger investments to keep it productive—and mounting shortages of key raw materials and energy sources. Still others were the results of planning decisions, particularly the decision implemented in 1976 to switch from an "extensive" investment policy that expanded production through large increases in capital and labor to an "intensive" policy of growth achieved by more efficient use of resources. Bad investment decisions also led to insufficient resources being devoted to transportation, which created shortages of rolling stock and massive bottlenecks. Finally, some of the causes of the downturn in growth rates may be endemic to the Soviet system of central planning. The planning process, with its emphasis on meeting production quotas, seems to have stifled innovation and creativity, which are vital to improving productivity. Lack of wage incentives and limited availability of consumer goods have also been drags on productivity growth.

If the US economy continues to perform as well as it has over the last year, the gap between the US and the Soviet economies is likely to widen considerably in the next decade. Opinion is certainly not unanimous on whether the United States can sustain this growth, but the consensus of estimates developed by leading private forecasting groups shows average annual growth rates of 3 percent or more through the mid-to-late 1980s.[4] Soviet growth, on the other hand, is projected by the CIA to be below this rate for the rest of the decade. If these projections prove accurate, Soviet GNP in 1990 will be back down to less than half the US figure. There is little reason to expect Soviet growth to exceed that of the United States on average during the rest of the decade. At best, Soviet GNP in 1990 is unlikely to be more than the 55 percent of US GNP estimated for 1983, and it probably will be less.

[4] Based on 1983-90 projections of average annual growth rates of 3.1 percent by Wharton Econometric Forecasting and 3.3 percent by Data Resources. Chase Econometrics predicts 3.7-percent average annual growth between 1983 and 1985, and Evans Economics predicts 3.1 percent for the same period.

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Longer Leadtimes: A Symptom of Soviet Problems in Using Western Technology

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Soviet use of imported Western plant and equipment has fallen far short of its potential for improving the USSR's overall economic performance, in large part because the Soviets take so long to acquire and put to use many of these imports. Average leadtimes for projects in the civilian economy are much longer in the USSR than in the West, almost invariably exceed the plan, and show no signs of diminishing.[1]

Individual Soviet end users probably can save time by importing a product embodying new technology rather than waiting for its development in the USSR. But diffusion—the widespread use of a new technology throughout the economy—may be faster with indigenous development. This is primarily because the Soviets seldom begin the research and development needed for embodying imported technology in Soviet-produced equipment until the import has been operated in a "prototype factory." From initial expression of interest to factory operation generally takes two to seven years.

The USSR is trying to speed up the assimilation of new technology in the civilian economy through various reorganizations and special bonuses. Results continue to be disappointing, however, to judge by the chronic complaints of officials. We believe the prospect for improvements will remain dim, barring a major overhaul of the system of incentives for modernization.

Background

Despite its high degree of self-sufficiency, the Soviet Union has traditionally imported Western technology to help ease bottlenecks, raise efficiency, and modernize its economy. Imports of Western plant and equipment expanded rapidly in the 1970s, as Moscow increased its emphasis on these goals in response to increasingly severe material shortages and expected manpower shortages.

[1] The defense and energy sectors are important exceptions to this general rule. Their shorter leadtimes usually reflect official actions to override the obstacles built into the system. These actions include (1) allowing the end user more direct participation in import negotiations, (2) promptly authorizing payment in hard currency, and (3) intervening to guarantee on-schedule delivery.

Such imports have significantly benefited specific sectors. They contributed much, for example, to the substantial enlargement of the natural gas pipeline network and the major advances of defense industries. But the Soviets hoped that Western technology also would stimulate productivity—not only in the individual plants where the imports were used, but also generally, through diffusion. This has not happened.

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The Import Process

The process of legal acquisition and use of Western plant and equipment for the civilian economy can be divided into six stages:

- Discovery of Western plant or equipment (initiation of interest).
- Request for funds.
- Negotiations between a Soviet foreign trade organization (FTO) and Western suppliers.
- Delivery, installation, and first use.
- Assimilation of the import by the original end user.
- Diffusion of the embodied technology to relevant uses throughout the economy.

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A variety of factors—some unique to imported technology and some affecting domestic technology as well—prolong the leadtimes within each stage:

- *Divided Responsibility.* The lack of a single body to coordinate all stages of the acquisition and absorption process fosters redundancy, prolongs negotiations, and slows down the assimilation of new technology.

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- *Administrative Barriers.* Official reluctance to permit personal contacts with foreign suppliers isolates production managers from important Western sources of information about the equipment, often leading to improper installation and prolonging the period of adjustment.

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Leadtimes in the Chemical Industry, Soviet and Western

	Years	
	In the USSR	In the West
Imported plant and equipment [a]		
From contract inquiry through negotiations	1.5	0.8
From the end of negotiations to initiation of production [b]	5.2	2.3 to 3.0
Total	**6.7**	**3.1 to 3.8**
Soviet indigenous development [c]		
Research, development, testing, evaluation, and achievement of normal capacity operation		
Total	**15.0**	

[a] Leadtimes are from *Soviet Absorption of Western Technology: A Survey of West European Experience*, by Malcolm Hill and Philip Hanson, Stanford Research Institute, December 1978 (a survey of 31 projects).

[b] Initiation of production is an earlier stage than the attainment of normal capacity operation, the stage cited in our source for Soviet indigenous development in the chemical industry.

[c] Leadtimes are from V. S. Sominskiy (survey of 132 projects); referred to in *Trade and Technology in Soviet-Western Relations*, by Philip Hanson, New York, Columbia University Press, 1981, p. 79.

- *Accounting Practices.* Because the Soviet economic system levies a very small interest charge on capital assets (both domestic and imported), no one feels obliged to get imported equipment into production quickly.

- *Incentives.* By emphasizing quantitative output, the Soviet incentive system breeds resistance to technological change.

The delays caused by these factors are indicated by a study of the Soviet chemical industry by Philip Hanson of the University of Birmingham, England. It shows that the time that elapses between stages 2 and 5 (initial inquiries about import contracts and operation of the purchased plant and equipment) is roughly two to three times as long as in the West (see table). A study of the machine tool industry shows the time between contract inquiry and first production is more than twice that required by Western firms. In two of the six stages of the process (negotiation and installation/first use), Soviet firms take three times as long as Western firms.

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Furthermore, the Soviets evidently are not improving with experience. A statistical test—based on survey data from Western businessmen collected in Philip Hanson's chemical industry study of 31 projects—has indicated that leadtime performance has not improved over the past 20 years, despite Soviet industry's increasing familiarity with Western firms.

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For the Soviets, the West's speedier assimilation rates may be less important than whether they themselves can assimilate an imported technology more quickly than one developed at home. As the table shows, if the technology is not available domestically, importing saves time. However, if equipment embodying the technology is already available in the USSR, assimilation is presumably speedier through its use, rather than through imports. But even in this case, Soviet enterprises sometimes prefer Western suppliers because they are supposed to be more reliable. In fact, however, this reliability can be offset by delivery delays after shipments have reached Soviet soil.

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Moreover, even if importing speeds up assimilation by one end user, it is not clear that it accelerates diffusion throughout the economy. Diffusion usually requires that a new technology be embodied in Soviet-produced equipment—a time-consuming process that usually demands considerable research and development and often does not even begin until assimilation of imported plant and equipment is well under way or even complete, a process taking two to seven years.

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Additionally, there is evidence that the Soviets sometimes —perhaps frequently—fail in their attempts to accomplish diffusion (stage 6).

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Judging by the plan, the plant entrance is somewhere below us.

At least three Western studies have shown that in the Soviet chemical industry a high level of imports, continued over a long period of time, has tended to perpetuate dependence rather than end it. One, a CIA study, shows that despite a need for specialized equipment (which the chemical industry has been importing for the past 20 years), the machine-building industry has made only limited progress in its production. This prolonged dependence ensures a continued lag of Soviet technology behind that of the West. Both Western and Soviet observers have noted that, even if a new technology reaches stage 6 in the Soviet Union, the process often has taken so long that the diffused technology is obsolete.

The Soviets themselves seem dissatisfied with their leadtimes. The chemical industry's handling of imports was derided in an August 1981 *Pravda* cartoon showing a plant buried under crates of machine tools. The accompanying narrative stated that the Novopolotsk Production Association "Polimer" had not made any use of imported equipment valued at 674,000 rubles. The article also noted that in 1969 the Usolskiy "Khimprom" Association had received imported equipment worth 650,000 rubles that had never been installed and had, in fact, deteriorated beyond repair while in storage. In 1979 Soviet authorities checked 45 petrochemical complexes and found 24 at which equipment awaiting installation was lying unprotected. 25X1

Soviet Attempts To Accelerate the Process

Leadtime problems persist even though the Soviets seem to assign a higher priority to assimilating Western equipment than to installing domestic equipment. In September 1979 a decree established a basic bonus of 3 percent of the total value of construction and installation work for completing a project on time and provided a 25-percent increase to this bonus for projects using large amounts of imported equipment. In October 1983 a separate resolution was issued ordering ministries to ensure that imported equipment is put into service and brought up to capacity operation within the warranty period. 25X1

The Soviets have attempted to speed up the introduction and diffusion of new technology—both imported and domestic—through the use of scientific-production associations (NPOs) that bring research, development, and production responsibilities together under one roof. They claim that the NPOs, which currently number more than 250, have reduced leadtimes by 50 to 65 percent. They probably are referring, however, to the time between the research and development (R&D) phase and first use in the NPO plant, not between R&D and economy-wide use. Moreover, NPOs are often assigned normal production quotas by their industrial ministry bosses, in addition to their experimental work toward speeding up innovation. Sometimes they have even been ordered to cease experimental work altogether to make up for losses of production elsewhere in the ministry. 25X1 25X1

Outlook

The slow pace at which imported Western technology is generally assimilated and diffused in the USSR sharply limits its contribution to the modernization of the Soviet economy as a whole. Even in some high-priority civilian areas—such as imported gas-lift equipment used to maintain or increase oil well flow rates—the protracted delays in acquiring and installing the equipment have reduced the effectiveness of its use.[2]

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Soviet planners will continue to recommend imports of Western technology and equipment to alleviate bottlenecks and modernize domestic industries as the pinch on the USSR's labor, capital, and natural resources tightens and the leading edge of Western technology continues to advance. Nevertheless, Moscow will find it increasingly difficult to catch up with the general level of technology in advanced Western countries by relying on imports of Western plant and equipment. This is partly because some imports embody technology that is not state of the art and are bought simply to improve the average quality of the USSR's own plant and equipment. Even if the Soviets choose the most up-to-date technology, imports stand little chance of eliminating the Soviet lag behind the West, because:

- Widespread application of such imports will probably be rare.
- If effective application ever occurs, it is likely to take many years.
- Soviet engineers, having not gone through the designing experience that underlies the imported equipment, will be ill prepared to carry the embodied technology to a still more advanced level.

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[2] In 1978 the Soviets contracted with a French firm (Technip) to install gas-lift equipment in 1,800 wells at Samotlor—their largest oilfield. Similar equipment was purchased for 600 wells at the Federovo field. Completion of these projects was scheduled for 1985 but has been delayed for one or two years. If installed on schedule, this equipment could have provided some 200,000 to 300,000 barrels per day of oil output beyond that otherwise expected from these fields. Because of the delay, however, the window of opportunity for the most effective use of this equipment may have been missed because the water cut (the amount of water mixed with the oil) at Samotlor and Federovo is now higher than optimal for extraction by gas lift.

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Moscow Seeking Improved Relations With Ghana

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Over the past five months, Moscow has been trying to improve its relations with the Rawlings regime in Ghana. The Kremlin may be interested in additional air and naval access in West Africa and is probably attempting to lessen the impact of any Western gains resulting from Accra's search for Western economic assistance. The Soviets are not likely, however, to extend significant aid of their own, and this will limit their prospects for success in Ghana.

Soviet-Ghanaian relations on the eve of Flight Lt. Jerry Rawlings's December 1981 coup were cool. At the time, the Soviets had little more than a formal diplomatic presence in Accra. Bilateral trade was minimal and military ties nonexistent, despite the fact that the Soviets had been major benefactors of Ghana under Kwame Nkrumah in the early 1960s.

The Soviets initially regarded the return of Rawlings, who was then espousing radical positions, quite positively, putting a leftist cast on the coup and proclaiming it a setback for the West.[1] However, they were not accommodating when Rawlings looked to them for economic aid. In fact, the only Soviet contribution appears to have been a donation of medical supplies. Libya and Cuba emerged as the primary non-Western suppliers of military and economic assistance to Ghana.

From late 1981 through early 1984, Moscow's policy toward Ghana focused on low-cost efforts to build Soviet influence there. Suspicion of the mercurial Rawlings, the likelihood of continued instability, and previous bad experiences in Ghana limited Moscow's willingness to commit its resources or prestige. The USSR did promise to help revitalize a number of economic projects begun under Nkrumah in the 1960s, but disagreement on aid terms prevented conclusion of any contracts. In addition, the Soviets attempted to influence Ghanaian public opinion by placing anti-Western stories in the local press and providing scholarships to Ghanaian students.

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Ghana was disappointed with Soviet and Libyan unwillingness to provide the kind of economic assistance it needed. In late 1983, the Rawlings regime began moderating its radical rhetoric and turned to the West for economic help. This shift may have prompted the Soviets to reassess their approach to Ghana. In any case, in early 1984 Moscow launched a concerted campaign to improve its position.

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On 13 March, the Kremlin named Vyacheslav Semenov as its new Ambassador to Ghana and initiated a series of advances to the Rawlings government. In subsequent weeks:

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- The destroyer Obraztsovyy visited the port of Tema for a week. 25X1

- A cultural and scientific agreement was signed

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[1] During Rawlings's first stint as Ghana's leader—from June to September of 1979—Moscow's relations with Accra were shaky, but the Soviet media did give his regime favorable play after it gave way to a pro-Western civilian government.

- Bulgarian Prime Minister Filipov visited Accra,

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- A July *Izvestiya* article characterized Rawlings supporters as "progressively minded" and praised the regime's attacks on corruption. Rawlings himself was said to be pursuing policies similar to those of Soviet favorite Nkrumah.

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The Soviets may be paying special attention to Ghana as a potential site of West African air and naval access in the event relations with Guinea deteriorate in the wake of Sekou Toure's death. Access to Guinean air facilities provides important support for Soviet resupply flights to Angola. In any case, Moscow seems to believe that it can keep Ghana from moving too far toward the West by providing small amounts of economic aid and boosting support for leftists such as Tsikata.

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To date, the results of the Soviet campaign have been minimal, largely because Rawlings wants to avoid alienating Western aid donors and is thus wary of expanding a relationship certain to raise Western concerns. At present, Western countries provide virtually all of Ghana's outside assistance.

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Outlook

The Soviets will probably continue to lobby Accra in hopes that the unpredictable Rawlings will adopt a more radical posture, perhaps out of frustration over possible Western refusals to grant him the amount of economic assistance he seeks. They will also try to cultivate leftist members of the regime to improve their ability to exploit future developments. Moscow might be inclined to intensify its diplomatic efforts and increase its economic aid to Accra if it believed that its air and naval access to Guinea might be threatened. More likely, however, the Soviets will try to build their influence slowly and avoid major political and economic commitment in a potentially unstable environment.

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Briefs

Moscow Evaluates Industrial Experiment

Izvestiya recently published the first detailed high-level Soviet statement on the progress of an "economic experiment," begun this January, that gives five industrial ministries more autonomy in using investment and wage funds. According to a leading planning official, each of the ministries has improved its performance in meeting delivery contracts, the key success indicator under the experiment. Results are less encouraging for enterprise planning of investment spending, but the official commented that factories have not had enough time to plan such expenditures. He said that the Soviets are preparing to broaden the experiment widely in 1985 and beyond. 25X1

The leadership has preordained that the experiment will be a success and a model for Soviet industry. The industries involved have been given priority in such areas as the acquisition of resources. Consequently, the results will reveal little about the actual potential for applying these measures throughout the economy as long as resources are in short supply. 25X1

Ukrainian Work Time Losses Cut

The amount of work time lost in Ukrainian industry and construction in 1983 was 25 percent less than in 1982, according to a recent press article by the Ukraine's party chief, Vladimir Shcherbitskiy. The article gives further evidence that an increase in hours worked may have played an important role in the spurt in Soviet economic growth last year. Growth in Ukrainian industrial production rose, paralleling the rise for the USSR as a whole. We do not have a figure for work time lost, but there is no doubt that it is sizable. Therefore, a 25-percent reduction would substantially raise time on the job. 25X1

Whether the reduction of absenteeism has continued in 1984 is not known. Reporting from the US Embassy in Moscow and emigres has indicated that the discipline campaign—which also featured police raids on public establishments to bring AWOL workers back to their jobs—was already petering out by the end of 1983. However, the high rates of growth in labor productivity observed in 1983 have been maintained in the first half of 1984. 25X1

Domestic Needs Limit Soviet Fertilizer Exports (C)

urea fertilizer exports will be limited in 1984 because of domestic requirements. In late 1983 the USSR contracted to sell a US firm up to 360,000 tons of urea annually for three years. The firm was guaranteed two semiannual shipments of 120,000 tons each with options to purchase an additional 60,000 tons during each half year. 25X1 25X1

The emphasis on the Food Program apparently has reversed the historical trend of shortchanging domestic fertilizer deliveries in favor of exports. In 1983, sales for domestic farm use rose to nearly 23 million tons of fertilizer nutrients, up 14 percent over 1982; shipments to farms during 1976-82 grew at an average annual rate of only 2 percent. 25X1

Census Age Data Released 25X1

A recent Soviet journal article on rural labor provides data that enable us to determine the size and sex composition of the working-age population[1] in urban and rural areas of the USSR. This information fills one of the large gaps in reporting on the 1979 census. As shown in the table, the total rural population decreased by 6.5 percent from 1970 to 1979, but the rural working-age population increased by 3.4 percent. In this period, both the urban population as a whole and its working-age component rose by more than 20 percent.

Thousands

	1970	1979
Total population	**241,720**	**262,436**
Urban	135,992	163,586
Of working age	81,364	103,204
Rural	105,729	98,850
Of working age	49,123	50,793

The article also notes the regional variation in the growth of the rural working-age population, with Central Asia and Azerbaijan showing the greatest gains and the RSFSR, Belorussia, the Ukraine, and the Baltic republics registering declines. The number of rural males and females of working age had equalized because the share of males in rural areas increased between 1970 and 1979. Roughly 65 percent of all rural workers work in agriculture. 25X1

Problems at Reactor Component Plant 25X1 25X1

25X1

the main production building has foundation problems and that major repairs are probably necessary. The plant is scheduled to produce the major components for six reactors by the end of next year and to be the principal producer of these components by the end of the decade. The time needed to bring the plant into full production cannot be determined, but it is unlikely to meet its production goal for next year. 25X1

[1] Males 16 through 59 and females 16 through 54. 25X1

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Viewpoint

25X1

The "War Danger" Thesis in Soviet Policy and Propaganda

25X1

Soviet statements on the growing danger of war have received increasing attention in the West and have been depicted largely as responses to US INF deployments. The "war danger" thesis, however, antedates the Reagan administration. Its promulgation and subsequent amplification by some Soviet leaders may be designed (1) to provide advance justification for large and possibly risky actions that the Soviets intend to take or (2) to serve a comprehensive strategy of intimidating Western publics and governments, indoctrinating the Soviet Armed Forces, and persuading Soviet society of the need for increased discipline and harder work for the public good. Alternatively, the various Soviet campaigns on the danger of war may be no more than posturing and may reflect the leadership's inability to devise a coherent strategy to cope with external threats and internal needs.

Origins

The thesis of the increased danger of war originated in a resolution adopted by the Central Committee at a plenary meeting on 23 June 1980. Earlier, the authoritative Soviet position had been that the danger of war had been pushed back. This thesis survived wide fluctuations in US-Soviet relations during the 1970s. Although these ups and downs were reflected in Soviet assessments of the international situation, the basic line throughout the decade was that relations were governed by detente (which had to be strengthened and made irreversible).[1]

[1] There were variations on this theme. That the danger of war *remained* had been particularly emphasized by military figures, while political leaders often added that war could be *eliminated* from the life of man.

This "optimistic" line failed to survive the sharp worsening of US-Soviet relations in the year following the 1979 Vienna summit:

- There was a confrontation over the Soviet brigade in Cuba.
- Congress failed to ratify SALT II.
- Iran's taking of American hostages created a risk of a confrontation between the USSR and the United States in this area.
- The USSR invaded Afghanistan, and the United States adopted strong measures in reprisal.
- The USSR expressed strong concern about increasing US reliance on "the China card."
- NATO decided to deploy new US nuclear missiles in Europe to counter the heightened Soviet intermediate-range nuclear threat to NATO.

On 23 June 1980, the Central Committee resolution entitled "On the International Situation and the Foreign Policy of the Soviet Union" made the following formal pronouncement:

> *In the present situation, when the adventuristic actions of the United States and its accomplices* have increased the danger of war, *the plenary session* instructs the Politburo *of the Central Committee to steadfastly continue the course of the 24th and 25th CPSU Congresses.*

> *At the same time, the plenary session believes that the intrigues of imperialism and other enemies of peace require constant vigilance and* the all-round strengthening of the defense capability of our state, *in order to thwart imperialism's plans for achieving military superiority and establishing a world diktat. . . .* (Emphasis added.)[2]

In addition to US "adventuristic actions," the Central Committee called attention to two other sources of the increased war danger: NATO's adoption of a course "aimed at disrupting the current military equilibrium" and US-Chinese rapprochement "on an anti-Soviet basis." The Soviets later stopped citing US-Chinese rapprochement as a source of the war danger, but said that US "aggressive" actions and the NATO "military buildup" were feeding on each other.

The principal Soviet concern evidently was NATO's military buildup. According to Foreign Minister Andrey Gromyko, "the root cause" of the worsened international situation was a shift in NATO's military policy following the Vienna summit. While the hardening of the Carter administration's policy toward the USSR doubtless played a role, the decisive factor in the Soviet shift on the war danger evidently was NATO's plans for strengthening its military forces, particularly plans for new INF deployments, which Gromyko criticized elsewhere in this speech.[3]

Consequences

The new tenet on the increased danger of war evidently was meant not to serve a specific, limited objective, but rather to reorient thinking about world affairs and Soviet foreign policy. Consequently, its implications for security policy were not spelled out, but remained to be developed in accordance with the evolving international situation. On the level of propaganda, the resolution provided authoritative guidance on the worsened international situation to Soviet institutions (including the massive propaganda apparatus), Communist Party members, Soviet society, and foreign movements subject to Soviet influence.

The resolution nevertheless had certain immediate consequences. Domestic advocates of controversial policies had to take account of the new line on the war danger. It provided the military with powerful ammunition. It placed others, such as advocates of increased resources for consumption or civilian investment, on the defensive. The new tenet also provided the basis for a campaign to alert the Soviet people to the seriousness of the worsening international situation, although it did not lead to calls for popular sacrifice. Finally, it fostered a campaign to heighten West European fears of international tensions in the aftermath of the Soviet invasion of Afghanistan, portraying these tensions as a consequence of US policies.

Variations on the Theme

While the top political leadership was agreed on the need to make a public reassessment of the international situation, the leaders evidently lacked a consensus on its policy implications. Brezhnev in particular seemed reluctant to abandon the policies he had fostered in the 1970s. His adoption of the war danger tenet opened him to pressures for change in Soviet security policy, but he appeared to resist them. One possible implication that could be drawn from the war danger thesis was the need for caution in areas of possible confrontation with the United States. Ponomarev, the party official who most frequently discussed the war danger, did on occasion link it to Soviet "restraint."

Yuriy Andropov, at least in his capacity as KGB head, probably welcomed the war danger thesis inasmuch as it could be used to justify raising the barriers between Soviet citizens and foreigners. (Indeed, such barriers have been raised gradually, including the abolition of direct long-distance calls between the USSR and foreign countries.) Andropov, both then and later, seemed animated by a sense of urgency in treating the war danger: "Every week, every day lost for attainment of agreement increases the nuclear danger."[4] He took the lead in questioning the motives of the Reagan administration and its capacity to control events. After leaving the KGB to enter the

[2] *Pravda*, 24 June 1980.
[3] Speech to the plenary meeting of the 35th session of the United Nations General Assembly, 23 September 1980.
[4] *Krasnaya zvezda*, 4 May 1983.
[5] *Pravda*, 25 June 1982.

Central Committee Secretariat, Andropov subscribed to the most extreme Soviet assessment yet of the war danger: "Actions of US imperialism place the world on the brink of nuclear conflict, which represents a threat to all mankind."[5] This view was explicitly contradicted in the Soviet press by high Soviet leaders both before and after Andropov subscribed to it, suggesting that it was a contentious issue.[6] Defense Minister Dmitriy Ustinov later supported Andropov's position, asserting that the "insane actions" of the imperialists had "brought the world to the brink of universal nuclear catastrophe."[7] Like Andropov, Ustinov stressed the deliberate character of the imperialist circles' preparations "to unleash a new world war."[8]

In mid-1983 there was a crescendo of warnings about the increasing war danger, including varying formulations by virtually the entire Politburo. Chernenko seemed less preoccupied with the urgency of the danger than a group that included Andropov, Ustinov, and Gromyko. It was as though the Soviet leaders manipulated a metaphorical clock like the one the *Bulletin of the Atomic Sciences* has employed: some periodically advanced the minute hand, while others resisted these advances. In the aftermath of the campaign of warnings, Ustinov complained that "leaders of the NATO bloc have in no way reacted" to the warnings—the INF deployment had gone forward. As a result, according to Gromyko in his election speech, "the danger of war has increased substantially."[9] The Soviet atomic clock had once more inched forward toward midnight.

Foreign and Domestic Reactions

There clearly has been a shift in recent years in mass attitudes toward the war danger and, to a lesser degree, in the attitudes of governmental leaders. What Soviet propaganda has contributed to this shift must be conjectural, but it was probably considerable. Still, it may be questioned whether this propaganda campaign will have the effect on Western *policy* that the Soviet leaders intend unless it is supplemented by strong and perhaps risky actions needed to elevate substantially existing fears.

The extensive *domestic* Soviet propaganda on the war danger probably has strongly influenced popular attitudes. This conjecture is supported by a Radio Free Europe–Radio Liberty survey of 3,000 Soviet travelers to the West, which showed that more than half (56 percent) believed the danger of nuclear war had increased over the past few years. (Roughly one-quarter denied such an increase; the remainder had no opinion.) The proportion of the sample that believed the danger of nuclear war had increased rose in the last four months of 1983, when the Soviet campaign reached a peak.[10]

It seems doubtful, as noted above, that the war danger thesis was intended to induce popular acceptance of austerity and long work hours, since the war with which the Soviet people have been threatened is a catastrophic nuclear war—hardly an inducement to massive self-sacrifice. The domestic campaign may, however, have served some diffuse purpose in countering indiscipline and in tightening the slack that has become pervasive not only in Soviet society but in the regime's institutions as well.[11] But one wonders whether depicting the world as being on the brink of nuclear catastrophe is the best way to get Soviet people to work harder. Acknowledging that the international situation has worsened surely makes sense for this purpose, but why say that nuclear catastrophe is drawing closer? Is this *sensible* propaganda? If not, is it reasonable to infer that it is *simply* propaganda?

25X1

[redacted]

[5] The head of the Soviet Government, Premier Nikolay Tikhonov, had earlier denied "that the world has been closer to the brink of a worldwide conflagration in the past two years." (*Izvestiya*, 3 June 1983.) Andropov's contention was subsequently contradicted by Vadim Zagladin, first deputy head of the Central Committee's International Department.

[7] *Pravda*, 9 May 1983.

[8] *Krasnaya zvezda*, September 1983.

[9] *Izvestiya*, 28 February 1984.

[11] This purpose may perhaps be inferred from the report of a Politburo session which, after observing that Andropov's statement (on 28 September 1983) showed Soviet determination "to keep the world from slipping into nuclear war," stated: "Party, trade union, and Young Communist League organizational and mass political work with employees must be closely tied to the solution of concrete economic and political tasks and to the improvement of discipline and organization in all sectors, and it must actively promote mobilization of the working people to successfully fulfill their plans and socialist pledges and to further strengthen the Soviet Union's economic and defensive might." (*Pravda*, 8 October 1983.)

The same questions can be raised about propaganda on the war danger directed to the Soviet armed forces. Presumably it does not emphasize the catastrophic consequences of nuclear war. But Soviet soldiers, since they live in the Soviet Union, are inevitably exposed to the thesis that the world is moving toward nuclear catastrophe. (What they are told on these subjects might reasonably be a subject for extensive research.)

Implications of Differing Statements

To what extent does Soviet commentary on the war danger reflect the leadership's true beliefs, rather than propaganda designed to influence the beliefs and actions of others? The formal and authoritative character of the Central Committee's initial pronouncement argues that it marked an important shift in the Soviet assessment of the international situation, at the very least a judgment that it had become more dangerous than the leadership had thought previously—probably a judgment that war itself, in one form or another, had become more likely. Subsequent amplification of the theme, particularly the earliest assertions in 1982 that the world was sliding toward nuclear war or was already on its brink, probably reflected different judgments about the international situation and about policies to deal with it. Those who pushed forward the new tenet and its subsequent elaboration intended to set a new direction for Soviet foreign policy, while those who were reluctant to adopt it tried to hold Soviet foreign policy closer to its previous course. The disagreement pertained not simply to the costs and benefits of proposed propaganda campaigns on the war danger, but also to substantive questions, such as where the world was headed independently of Soviet policies designed to change its course. The fact that General Secretary Konstantin Chernenko did not mention the war danger in the round of leadership election speeches earlier this year while Gromyko did reflects differences not only about what Soviet propaganda should be, but also about what Soviet policy should be.

The most reasonable explanation for Soviet propagation of the theory of the increasing danger of war, and of its progressive formulations that have even placed the world on the brink of nuclear catastrophe, is simple if taken by itself; yet it is not necessarily the correct explanation. Soviet propaganda on the increasing danger of war most readily makes sense if the Soviet leaders are providing justification in advance for large and possibly risky actions that they intend to take—actions that they would claim are necessary to avert the terrible future that mankind would otherwise face. (Indeed, the Soviet leaders provide assurances, along with their warnings, that the nuclear catastrophe *can* be averted.) According to this explanation, the Soviet leaders may see a *long-term danger of war* stemming from a worsening of their relative economic, and later military, position and a *near-term danger* stemming from their planned actions to avert this long-term danger. Their reasons for providing implicit warning to the West of their contemplated actions are: the need to prepare Soviet institutions and Soviet society for the planned actions, the need to provide a retrospective justification for what they subsequently will have done, and the wish to intimidate Western nations and to pressure their governments to make concessions in negotiations that may yet obviate the need for aggressive Soviet actions.

The actions contemplated need not be military attacks or even threats to use military force, but they might involve some risk of provoking military hostilities. They would be designed to produce marked improvements in the Soviet strategic position, which otherwise might be expected to worsen in the years and decades ahead.

What most argues against this explanation is our doubts that this superannuated and seemingly weak leadership has the will and long-term perspective necessary to plan and execute such a strategy. Still, it would be a mistake to dismiss the possibility that the Soviet leaders are preparing moves to alter the strategic balance.

A second explanation that might be given for the progressive Soviet warnings of the danger of war is that they are part of a complicated *design* to influence in diverse ways several distinct audiences:

- *Western publics* are meant to be frightened by the declaratory Soviet assessment of the war danger.
- *Western governments* are to be made apprehensive of forthcoming Soviet actions that would indeed increase the war danger, hence inclined to appease the Soviet Union.

- *Soviet soldiers* are to be indoctrinated in the war danger so that they will train more effectively to wage successful war.

- *The Soviet public* is to be made apprehensive that Western governments harbor plans to unleash war, so that the people will increase their support of the government in its demands on society and make sacrifices on behalf of the public good.

The first two efforts raise few serious problems for the Soviets, but the third is more problematic, and the fourth, as noted previously, poses serious problems. What good can come of telling the Soviet people that war has drawn closer, will have catastrophic consequences, and will leave no victors? Moreover, the Soviet people are *not* being heavily indoctrinated to make sacrifices in the struggle to avert war or to wage it successfully. The Soviet people apparently have become more fearful of war, but it is not clear that the consequences are what the leaders would want.

A third explanation offers itself. The various Soviet campaigns on the war danger are not elements in a comprehensive strategy, but separate strands spun by a divided leadership that has lost its internal coherence, hence its capacity to devise a coherent strategy. Consequently, each of the respective propaganda campaigns on the war danger aimed at the West, at the Soviet Armed Forces, and at the Soviet people, is contrived without concern about the others. The Soviet people are told of the war danger so that they will become more disciplined and more supportive of and dependent on the government, but they are not asked to make sacrifices because they no longer respond to such appeals. On the contrary, they need to be promised more consumer goods so that they will not goldbrick even more than they do now. They hear about the catastrophic consequences of nuclear war, a discordant theme, since this is the line employed to reassure the West that the USSR is content with parity and the Soviet leaders can no longer prevent the Soviet people from hearing what they tell the West. The Soviet Armed Forces are told that war with the West is possible, perhaps even likely, since propaganda about the catastrophic consequences of nuclear war that is directed at the West has inadvertently reached Soviet servicemen and persuaded them that world war will never happen again. According to this third explanation, the war danger thesis serves several distinct aims but does not reflect the leaders' real beliefs, expectations, or intentions; it is simply a multipurpose tool of a divided leadership that muddles along without really knowing what it all adds up to.

This explanation has a certain plausibility in light of our assessment of the poor quality of Soviet leadership in recent years, but we should not embrace it too readily. The war danger thesis involves serious costs and risks; it would be lightly adopted and exploited only by a leadership that was close to bankruptcy. Once the war danger has been propagated, it cannot be readily abandoned domestically without encouraging the Soviet people to relax—which is hardly what the Soviet leaders want these days.

Where does this examination of alternative explanations leave us? This problem clearly requires more reflection and analysis than it has yet received. No one of us would have predicted five years ago that the Soviet leaders would now be telling the Soviet people and the Soviet Armed Forces that the world is close to the brink of a nuclear war that would have catastrophic consequences for humanity. We ought to stop and ask ourselves why what we did not anticipate has come about, and try harder to understand what it all means.

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